



GAUTENG
LEGISLATURE

Your View — Our Vision



PUBLIC PARTICIPATION



OVERSIGHT



LAW-MAKING



CO-OPERATIVE GOVERNANCE

ANNUAL REPORT 2018/19

GAUTENG PROVINCIAL LEGISLATURE

“Following up on our commitments,
making your future work better”

Meaningful Involvement
by the People

Responsive Laws

Coherent Legislative
Sector

Public Confidence in
Governance



ANNUAL REPORT 2018/19

“A woman of fortitude” in recognition
of her courage, discipline, integrity and
love for her country.

Albertina Sisulu “A woman of fortitude” in recognition of her courage, discipline, integrity and love for her country. Ma Sisulu was truly a woman of fortitude. Her strength, resilience and the will to carry on shone like a beacon in the darkest days of apartheid.

Albertina Sisulu dedicated her life to her country and its people. She will forever be remembered as a fearless leader in the struggle and a mother to the nation. She worked tirelessly towards creating a better and more equitable South Africa.

Throughout her life she worked to ensure that all people in South Africa should enjoy the benefits of freedom and democracy.

ALBERTINA
SISULU



GAUTENG
LEGISLATURE

Your View — Our Vision

Gauteng Provincial Legislature's General Information

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A black and white photograph of Nelson Mandela. He is wearing a dark suit, a white shirt, and a patterned tie. He is smiling and has his right fist raised high in the air. He is holding a microphone in his left hand. The background is dark and out of focus.

ANNUAL REPORT 2018/19

**‘Making Your Future Work Better
– Learning from Madiba’**

Nelson Mandela, Deputy President of the African National Congress of South Africa, raises his fist in the air while addressing the Special Committee Against Apartheid in the General Assembly Hall. **UN Photo/Pernaca Sudhakaran**

The background of the page features a dark, sepia-toned photograph of a microphone on a stand, with out-of-focus foliage in the background. A prominent diagonal design element, consisting of a wide yellow band bordered by thin white lines, runs from the top-left corner towards the bottom-right, partially obscuring the text and background image.

The Gauteng Provincial Legislature (GPL) is the parliament of the people of Gauteng. The GPL has the constitutional mandates of law-making, oversight and scrutiny, public participation and cooperative governance.

The GPL therefore makes laws that address the specific needs of Gauteng, conducts oversight over Gauteng Provincial Departments to support the improvement of service delivery, conducts public participation to ensure public involvement in the GPL business processes, and promotes cooperative governance for coherent decision-making across spheres of government.

PART [A]

“Following up on our commitments,
making your future work better”



PUBLIC PARTICIPATION



OVERSIGHT



LAW-MAKING



CO-OPERATIVE GOVERNANCE



LEGISLATIVE INFORMATION



1. PREAMBLE TO THE CONSTITUTION

*“We, the people of South Africa,
Recognise the injustices of our past;*

*Honour those who suffered for justice and freedom in our land;
Respect those who have worked to build and develop our country; and
Believe that South Africa belongs to all who live in it, united in our diversity.*

We therefore, through our freely elected representatives, adopt this Constitution as the supreme law of the Republic so as to -

*Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;
Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;*

*Improve the quality of life of all citizens and free the potential of each person; and
Build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.*

*May God protect our people.
Nkosi sikelel' i-Afrika. Morena boloka setjhaba sa heso.
God seën Suid-Afrika. God bless South Africa.
Mudzimu fhatutshedza Afurika. Hosi katekisa Afrika.”*



2. LIST OF ABBREVIATIONS/ACRONYMS

APP	Annual Performance Plan	LAC	Legislature Adjudication Council
BBBEE	Broad-Based Black Economic Empowerment	LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
BEP	Business Enhancement Plan	LSB	Legislative Services Board
CCTV	Closed Circuit Television	LSS	Legislative Sector Support
CHEA-AR	Commonwealth Hansard Editors Association Africa Region	MEC	Member of Executive Council
COID	Compensation for Occupational Injuries and Diseases	MPLs	Members of the Provincial Legislature
COSO	Committees of Sponsoring Organisations of the Treadway Commission Framework	MPWC	Multi-Party Women's Caucus
COVAC	Committees Oversight and Accountability Framework	NCOP	National Council of Provinces
CPA	Commonwealth Parliamentary Association	NGO	Non-Governmental Organisation
CRC	Citizens Responsibility Campaign	NSF	National Speakers' Forum
CRR	Capital Replacement Reserve	OCoC	Office of the Chairperson of Committees
CWP	Commonwealth Women Parliamentarians	OCPOL	Oversight Committee on the Premier's Office and Legislature
EAP	Employee Assistance Programme	O-Dep-CoC	Office of the Deputy Chairperson of Committees
ECM	Enterprise Composite Model	OHS	Occupational Health and Safety
EFT	Electronic Transfer	PBMER	Integrated Framework for Planning, Budgeting, Monitoring, Evaluation and Reporting
FIS	Focused Intervention Study	PDMC	Provincial Disaster Management Centre
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act	PPPF Act	Preferential Procurement Policy Framework Act
GEYODI-R	Gender, Youth and People Living with Disabilities	PPE	Property, Plant and Equipment
GPF	Gauteng Partnership Fund	PPSA	Public Protector in South Africa
GPL	Gauteng Provincial Legislature	PSC	Public Service Commission
GRAP	Generally Recognised Accounting Practice	PwD	People with Disabilities
GRIR	Goods Received Invoice Received	SADC	Southern African Development Community
GSF	Gauteng Speakers' Forum	SALSA	Secretaries' Association of the Legislatures of South Africa
HDI	Historically Disadvantaged Individuals	SA GAAP	South African Statement of Generally Accepted Accounting Practice
Hon	Honourable	SCM	Supply Chain Management
HVAC	Heating Ventilation and Air Conditioning	SCOPA	Standing Committee on Public Accounts
IAS	International Accounting Standards	SDGs	Sustainable Development Goals
ICT	Information and Communications Technology	SOM	Sector Oversight Model
IPSAS	International Public Sector Accounting Standards	SPOF	Strategic Projects Oversight Forum
IPMS	Integrated Performance Management System	TM Policy	Transversal Mainstreaming Policy
IR	Invoice Received	TMFP	Transversal Mainstreaming Audit and Training Project
IT	Information Technology	UIF	Unemployment Insurance Fund

3. FOREWORD BY THE SPEAKER



The period under review marks the birth centenary of 2 giants of our liberation struggle. The first democratic President of our country, uTata, Nelson Rolihlahla Mandela and Ma Albertina Sisulu.

Hon. L N Mekgwe
Speaker Of The Gauteng Legislature

It is indeed an honour and privilege to introduce the Annual Report of the Gauteng Provincial Legislature (GPL) for the 2018/2019 Financial Year to the people of Gauteng. This annual report provides an account of the GPL achievements not only for the period under review, but holistically in the implementation of the Institutional Five-Year Strategic Plan for the 2014 – 2019 Term of Office.

The period under review marks the birth centenary of two giants of our Liberation Struggle: the first democratic President of our country, uTata Nelson Rolihlahla Mandela, and Ma Albertina Sisulu. uTata was a leader who showed us and the world at large the true meaning of selflessness. While we vehemently led the fight against the ruthless, oppressive and inhumane apartheid regime, he also strived to attain peace and showed us the meaning of humility, forgiveness, justice and equality for all. He was driven by his belief in human rights and played a pivotal role in ensuring that the realisation of a peaceful transition from apartheid

to democracy would lead to the development of one of the most liberal and progressive Constitutions.

Ma Sisulu dedicated her life to fight for the emancipation of women and the liberation of South Africa, to build a democratic society which respects and celebrates the crucial role women play in all walks of life. She displayed great courage and is hailed for being among those that were instrumental in leading around 20 000 women from across South Africa to march to the Union Buildings in Pretoria in protest against the compulsory carrying of passes by women. Their act of defiance will forever be ingrained in the hearts and minds of all South Africans. It will forever be a living memory that can be passed on from one generation to the next. This same spirit of togetherness and unity is one that women should embrace so that the fight for equality and empowerment continues.

It is a constitutional mandate of the GPL to hold the Executive accountable for the commitments made to the people and to make laws that are responsive to the needs

of the people. The GPL gives effect to these two primary mandates through a further two enabling mandates, i.e. public participation and cooperative governance. We involve the public in the legislature business and forge meaningful partnerships with stakeholders and civil society, understanding that such partnerships provide the means through which people can participate fully in changing their lives for the better. We also liaise and cooperate with other state institutions and constitutional bodies to ensure that the GPL does not operate in isolation.

The GPL's Five-Year Strategic Plan has been developed in alignment with the vision of “**a modern and transformative legislature that fosters public pride and confidence in democracy and enhances service delivery to the people of Gauteng.**” In giving effect to the vision, the collective of the Presiding Officers had endorsed a single goal for the institution, “to be a responsive legislature that fosters public confidence” for implementation through the six strategic objectives, namely:



1 Improved accountability by the executive to the legislature in respect of service delivery



2 Improved meaningful involvement by the public in Legislature business



3 Increased responsiveness of laws to meet the needs of the people of Gauteng



4 Fostered coherent and coordinated legislative sector



5 Enhanced public confidence in the governance and leadership of the Legislature



6 Modernised business practices towards supporting the functions of the Legislature



From the beginning of the current term of office, the GPL made substantial progress on the gains of the past two decades by conducting robust oversight and facilitating constant accountability of the Executive. In this regard, the GPL has convened House Sittings as scheduled, aimed at executing our work in line with the *Constitution and the Standing Rules of the Legislature*. These Sittings enabled robust debates, tabling of motions, posing of questions to the Executive, and adoption of resolutions by the Members of the Provincial Legislature.

The committees of the House scrutinised departmental annual performance plans and quarterly and annual reports; and undertook focused intervention studies (FIS) as well as announced and unannounced oversight visits to the key service delivery areas. They continued to oversee the Executive through oral and written questions on matters of service delivery and thus ensured that the Executive is accountable for the effective utilisation of public funds and implementation of legislation, policy and priorities.

We have sought innovative ways to effectively implement our constitutional mandate of promoting public access and involvement in the legislative processes. To this end, the GPL has continued with the promotion of an informed and active citizenry through the implementation

of the Citizens Responsibility Campaign (CRC), and various public education and outreach programmes. The institution embarked on an intensive re-engineering of public participation project, which deliberately focused on building a public participation programme that fully supports the business of the legislature. In this regard, a comprehensive public education programme that is grounded on strong civic education curriculum was developed.

We have also designed a framework for the Constituency Programme that strives to connect the Presiding Officers and the MPLs with the Parliamentary Constituency Offices.

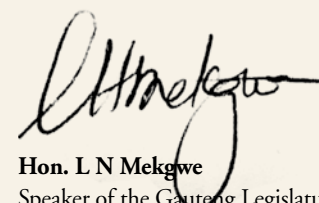
Additionally, we have worked hard to engage all sectors of society and connect with communities through focused media platforms, sector parliaments, feedback sessions and school readiness programmes. Sector parliaments specifically provide an opportunity for all sectors of society in Gauteng (such as women, children, youth, senior citizens, interfaith and faith-based groupings, commercial sex workers; lesbian, gay, bisexual, transgender, gender diverse, intersex and queer (LGBTIQ+); workers and people with disabilities) to have their issues heard and also to have a say in the governance of the province.

With respect to the upcoming general elections, we have arranged a Critical Thinking Seminar aimed at encouraging all citizens, especially the youth, to exercise their hard-earned right to vote. On law making, the GPL continued with the processing of Bills that are responsive to the needs of the people and creating an enabling environment to better the lives of the people. A total of 21 Bills were processed during the 2018/2019 financial year alone. Our law-making focus, during the period under review, included an intensified scrutiny of subordinate legislation as well as monitoring the level of implementation of laws and regulations by the Executive.

Strengthening cooperative governance to advance parliamentary oversight became a key theme of the GPL during the period under review. As a legislature that does not exist as an island unto itself, we exist and operate in a network of local, national and global structures to enhance parliamentary processes and hold the Executive accountable. Thus, we have continued our cooperation within the sector, both locally and internationally, to improve engagement, collaboration, and peer review with other organs of state. This was achieved through structures such as the National Speakers' Forum (NSF), Gauteng Speakers' Forum (GSF), Secretaries Association of the Legislatures of South Africa (SALSA) and the Commonwealth Parliamentary Association (CPA).

The GPL will not rest in complacency. We will increase our endeavours in the relentless pursuit of a robust and focused oversight, meaningful public participation, responsive law-making and purpose-driven cooperative governance. These achievements bear testament that as an institution, the GPL stands ready to serve the people of Gauteng for the next and forthcoming years.

Our common challenge for the sixth term of office is to achieve clean governance in the province and to ensure that Gauteng is a better place to stay, work and play in. Judging by the achievements outlined in this annual performance report, I am confident that the GPL will have the capacity to realise this vision.



Hon. L N Mkgwe
Speaker of the Gauteng Legislature
Your View – Our Vision



4. EXECUTIVE SUMMARY



We present the annual report in a year that we, as a nation, commemorate and celebrate the centenary of the birth of one of the greatest sons of our soil, Nelson Rolihlahla Mandela.

Mr P. Skosana
Secretary to the Gauteng Provincial Legislature

Overview of the operations of the Gauteng Provincial Legislature

The 2018/2019 annual report coincides with the culmination of the implementation of the GPL 2014-2019 Strategic Plan which was set out to accomplish the mandate of the GPL as necessitated by the Constitution of the Republic of South Africa.

Overall, the GPL recorded an **86% achievement of planned targets for the 2018/2019 financial year** in effort to achieved the listed institutional strategic objectives.

The GPL leadership, in establishing a vision and translating it into an effective strategy and practices,

had to engage in continuous improvements to align the strategy to operational activities during the five-year period. It was successful in guiding and directing the institution towards achieving its strategic goal, *“to be a responsive legislature that fosters public confidence”*. A cornerstone of the approach to leadership included three dimensions of modern leadership, namely: developing a strategy, focusing on people, and adding value which is essentially the discipline of ensuring that operational tasks are completed on time. This was achieved through the Secretariat as the first line of assurance which has the primary responsibility of accountability, management, control and reporting of institutional performance in accordance with the strategies, policies and risk parameters set by the LSB.

The Secretariat as a forum for collective executive leadership assists the Secretary to the Legislature, as the Accounting Officer (CEO), in overseeing the effective and efficient management of the GPL. It is the ultimate decision-making structure in the administration of the

GPL. It is responsible for providing strategic leadership and alignment of systems to deliver the strategic goals and facilitation for effective decision making.

The GPL management was continuously intent on providing staff members at all levels with maximum support by building trust, cohesion and autonomy, and allowing them room for innovation. The Covey Leadership Training programme was one of the interventions wherein the GPL adopted a model that is aimed at aligning people, process and purpose to achieve sustained excellence. This was entrenched through a leadership charter as a declaration of intent for directors and managers to adopt and use as a guide and practice in their leadership roles in the GPL.

The focus of the training in the 2019/2020 financial year will be on conducting personal and interpersonal mastery programme to lay the foundation to further develop a clear road map that includes self-awareness, personal mastery and collaboration, and to embed and sustain the leadership and management practices in the GPL. The Leadership and Management Practices Policy will also be reviewed and recommended for approval by the Legislature Services Board (LSB). In addition, the organisation, through its policies and procedures, continued to provide guidance to employees in their work efforts and also entrenched a system of authority, responsibility and accountability.

A sine qua non for the successful implementation of the GPL strategic plan is the nurturing and development of a highly skilled and competent legislative staff that complements the MPLs in their oversight, law-making and representation roles. The GPL achieved this through continuous engagement with organised labour on the job skills training and by providing staff members with bursary opportunities. This increased the level of capability and competency of the GPL employees and other key stakeholders, thereby enabling the organisation to operate at an optimum level.



Thorough analysis of issues relating to the implementation of the GPL's strategy, organisational performance, leading change, human behaviour, organisational behaviour, motivation and reward system, and how to create supportive organisational structures based on a clear organisational development strategy, an organisational development (OD) project was conceptualised and initiated. The key objective of the OD exercise is to review the organisational structure and ensure that the structural design is aligned to the GPL strategy and ensure that the structure meets the GPL's optimal productivity goals.

Furthermore, the reviewed structure would introduce a number of advantages including encouraging the formation of cross-functional project teams which is key to the successful implementation of a number of strategic projects through the project management methodology. In addition, the implementation of several strategic projects including the Business Enhancement Plan, Organisational Development project, Voter Education Campaign, Public Perception Survey, and Re-engineering of Public Participation in the GPL project was accomplished through the application of project management methodology. The GPL methodology is supported by the Project Management Governance and Project Management Process Frameworks. The

methodology and frameworks constitute a primary policy framework for project management in the GPL.

Through the Project Governance Office (PGO), project health assessment outcomes, coaching and mentorship activities, project management forum activities as well as other support processes which enhanced project management competency were achieved.

Likewise, the support function of transversal mainstreaming in the GPL is mandated to provide strategic, operational and technical support to the political and administrative structures of the legislature, on mainstreaming transversal issues. The legislature focuses on issues of gender, race, disability and youth in the mainstreaming of transversal issues. The support function is headed by a Transversal Mainstreaming Focal Point (TMFP). The focal point also provides support to the GPL Multi-Party Women's Caucus (MPWC) and the GPL Commonwealth Women Parliamentarians (CWP).

During the 2018/2019 reporting period, the TMFP supported various initiatives for both political and administrative wings of the legislature. It also responded to the directives of the MPWC, which is an advocacy structure of the legislature for mainstreaming

cross-cutting issues. The mainstreaming of transversal issues is achieved through various intertwined efforts, which include, amongst others, capacity development, women's empowerment initiatives, stakeholder management and profiling of the MPWC.

Through a directive from the MPWC, Gender-Responsive Budgeting (GRB) was incorporated into the GPL's internal training, where 40 GPL participants were enrolled on a three-week online and a one-week face-to-face training on GRB. This was intended to enhance skills on implementing transformative budget allocation processes. The fifteen (15) participants who proceeded to the face-to-face training developed an action plan, which is currently being implemented.

In the 2018/2019 financial year, the GPL had intended to undertake a study to explore media portrayal of people based on gender, race, disability and age as well as to scrutinise persisting stereotypes. However, this was not implemented as planned due to budget reprioritisation. As a result, implementation was deferred to the 2019/2020 financial year.

The implementation of the new governance framework has contributed to the GPL defining processes and procedures for good governance and ensuring that ethical considerations form an integral part of decision making. The GPL's commitment to good governance is unwavering and the institution is cognisant of the imperative that good governance leads to good management and superior performance.

In the reporting period, the following changes were effected:

- » the LSB Charter was updated to include the identified risk management and governance matters;
- » the Human Resource Development (HRD) Committee Charter was reviewed to include clear distinction between roles and mandate of the HRD;
- » the revised LSB Charter and the Performance & Remuneration Committee (PRC) Charter were approved;
- » the accountability of the administration, including consequence management, was reviewed;
- » there is ongoing improvement of strategic planning, monitoring and evaluation, and reporting in line with best practices;



- » the 2018/2019 combined assurance plan was implemented;
- » the implementation of the ICT Governance Framework was monitored;
- » all members of the LSB and its committees have declared their interests and continue to declare before each meeting commences in the attendance and declarations register;
- » the overall Secretariat and its subcommittee structures were reviewed and simplified to ensure that attendance is improved, and subcommittee meetings were streamlined to reduce the number of meetings and overlaps;
- » implementation of the combined assurance plan was monitored by incorporating it into the existing GPL processes; and
- » implementation of the Code of Conduct to promote a good ethical environment and culture was also monitored.

Significantly, the 2nd Annual Ethics Seminar was convened under the theme, *“Public Sector Ethics Governance: The Ecosystem & Its Discontents”*. This seminar was a follow-up to the launch of the Gauteng Speakers’ Subforum on Ethics in March 2017 and the establishment of the Code of Conduct for the GPL staff which is a measure to ensure ethical behaviour and stimulate debate on ethics and moral governance. Ethical matters are a priority; and during the year under review, the Office of the Integrity Commissioner (IC) received and investigated seven (7) complaints. Of this number, five (5) matters were closed and two remain open.

Our democratic consolidation process will, once more, be strengthened through the general elections scheduled for 8 May 2019. The GPL plays a pivotal role in coordinating the affairs of the state in Gauteng in the period between the outcome of the elections and inauguration of the head of the Executive, the Premier. The execution of the project plan for the disestablishment of the Fifth Legislature and establishment of the Sixth Legislature has gained momentum and the transitional project team has achieved several milestones. The detailed planning catered for disestablishment and covered proclamation of election timetable, circulation of necessary IEC information, the rising of the legislature, preparation for deferment of reports, cleaning of the Order Paper, closing of relevant projects, lapsing of questions, MPLs’ farewell dinner/ lunch; communication pack/exit process, communicate regarding laptops, medical aid, business tools, pensions, salaries, and library books, vacating of offices and return

of keys by 20 April 2019, bronze plaque for the names of the Fifth Legislature Members, publication of Hansard speeches and the handover report.

In terms of the middle phase, the orientation and induction handbook and support material are in progress and were circulated to the task team members. The delivery date of the manual was on 29 March 2019. The planning also included the Sitting of the National Assembly on 23 May 2019, NCOP Sitting on 23 May 2019, Notice by Judge President, and the first Sitting for swearing in of Members scheduled to take place on 22 May 2019.

Furthermore, this phase also include inauguration, swearing in and elections of the Premier, Speaker and Deputy Speaker; the Official Opening of the Legislature estimated for 24 June 2019, and the State of the Nation Address scheduled to be held on 19 or 20 June 2019.

In implementing the Sector Oversight Model, the GPL, through Committees and Sitzings of the House, continues to innovate and exceed targets in critical legislative oversight areas. This was given effect through the use of oversight tools such as public hearings, committee inquiries, oral and written questions to the Executive, motions, oversight visits, focused intervention studies, petitions, and tracking of House resolutions.

Guided by the law-making framework, the GPL succeeded to process 21 Bills that comprised 11 NCOP Bills and 10 Provincial Bills.

As part of the oversight process, administrative and technical support was provided on procedural, legal as well as research matters. This enabled committees and the House to conduct oversight and scrutiny with a view to ensuring that the budget passed by the legislature was spent according to the annual performance plans submitted by the various Gauteng Provincial Departments. Through the committees of the House, annual performance plans as well as quarterly and FIS reports were scrutinised; and Appropriation Bills were considered and used to evaluate the performance of the departments. During the 2018/2019 financial year, a total of 130 SOM imperative reports were considered.

Enhancing public involvement in the work of the GPL remains one of the GPLs strategic priorities. As a result,

the implementation of the communications and public participation operational plans resulted in the GPL successfully reaching out to Gauteng communities. This was achieved through several media platforms, public education workshops, sector parliaments, petitions, feedback sessions and school readiness programmes. Significantly, the GPL hosted a Critical Thinking Seminar with the objective to facilitate robust youth debate on the question of voting. The seminar was centred around the theme, “To vote or Not to vote” in the upcoming national and provincial elections.

Gifts and Donations received in-kind from non-related parties

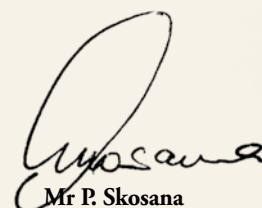
The GPL received donations/sponsorship from Standard Bank South Africa for the 4th Vita Basadi Awards.

Other

To the best of my knowledge, there are no other material facts or circumstances which may have an effect on the understanding of the financial state of affairs not addressed elsewhere in this report.

The legislature continues to enjoy strategic support as well as political guidance from the Executive Authority, the Legislature Services Board, the Office of the Chairperson of Committees and the Office of the Chief Whip. The GPL management team and staff worked tirelessly in their strive for continuous improvement of service delivery and steady increase in the value addition that the GPL brings to the GPG. This resulted in the smooth running of the legislature.

It is against this background that I am pleased to submit the 2018/2019 Annual Report to the Honourable Speaker of the Gauteng Legislature for approval.



Mr P. Skosana

Accounting Officer of the Gauteng Provincial Legislature
31 May 2019



5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- » All information and amounts disclosed throughout the annual report are consistent.
- » The annual report is complete, accurate and is free from any omissions.
- » The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.
- » The Annual Financial Statements (Part E) have been prepared in accordance with Generally Accepted Accounting Practice (GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislature's Act of 2009 (FMPPLA) issued by the National Treasury.

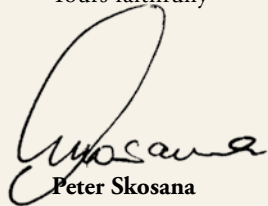
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors were engaged to express an independent opinion on the annual financial statements.

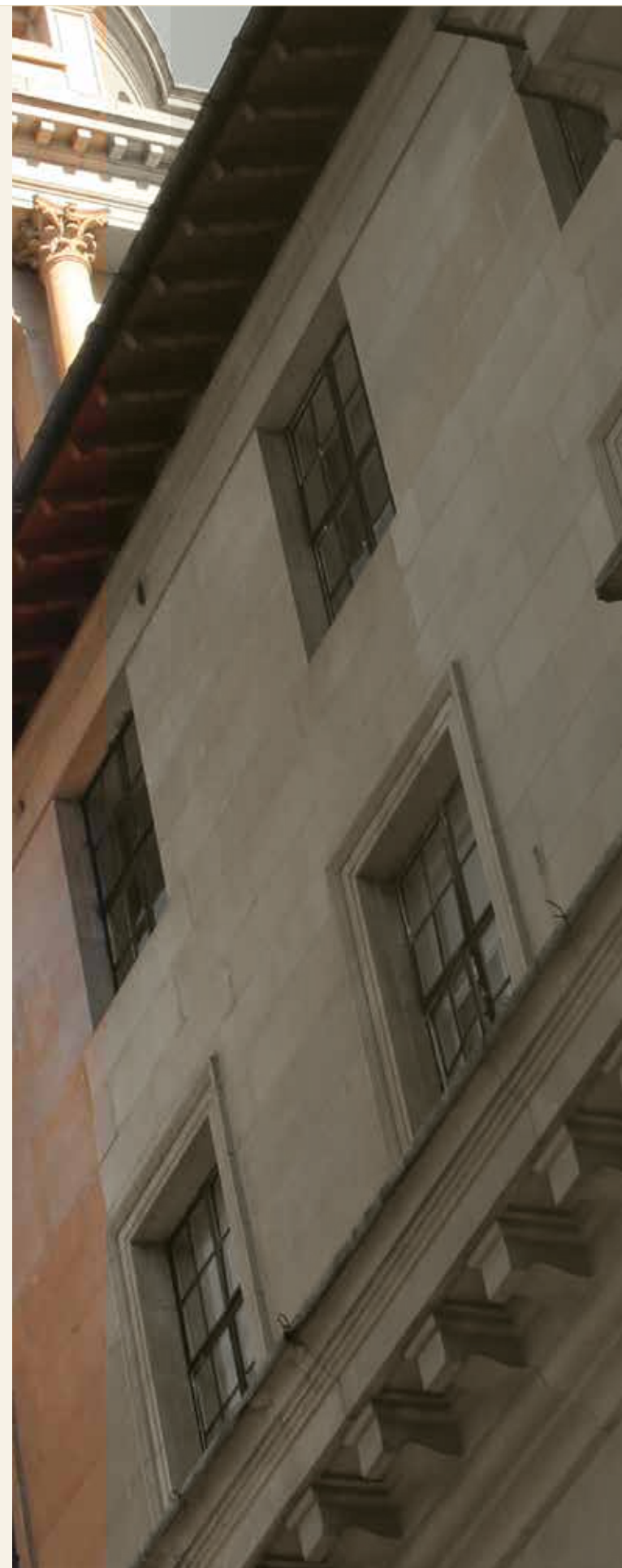
In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Gauteng Provincial Legislature for the financial year ended 31 March 2019.

Yours faithfully



Peter Skosana

Secretary to the Legislature



6. STRATEGIC OVERVIEW

Vision

A modern and transformative legislature that fosters public pride and confidence in democracy and enhances service delivery to the people of Gauteng.

Mission

In observing our constitutional obligations, the GPL:

- » is a modern and dynamic African legislature of the 21st Century;
- » is a caring, responsive, activist and transformative legislature;
- » reflects the values, aspirations and cultures of the South African people;
- » is the most competent, accessible, transparent and accountable legislature;
- » fosters ethical and good governance;
- » attracts, develops, and retains skilled and professional staff;
- » recognises staff contributions, rewards their achievements and provide a stimulating environment.

Values

The GPL believes and strives for:



Moral integrity: Being honourable and following ethical principles.



Goal-orientated: Working diligently to achieve results.



Professionalism: Being knowledgeable with a non-partisan, positive attitude as well as proficient in executing duties.



Teamwork: Being cooperative and working well with others.



Courtesy: Being polite and having respect for individual dignity.



Development: Encouraging the achievement of personal growth, learning and development.



Economy: Using public resources economically, effectively and efficiently.



Excellence: Continuous improvement in performance and standards.



Transparency: Openness and accountability, i.e. being sincere and candid in discussions.



Participation: Fostering popular involvement in decision-making process.



Social equity: Promoting non-racialism, non-sexism, gender equality and respect for religious and cultural diversity.

7. LEGISLATIVE AND OTHER MANDATES

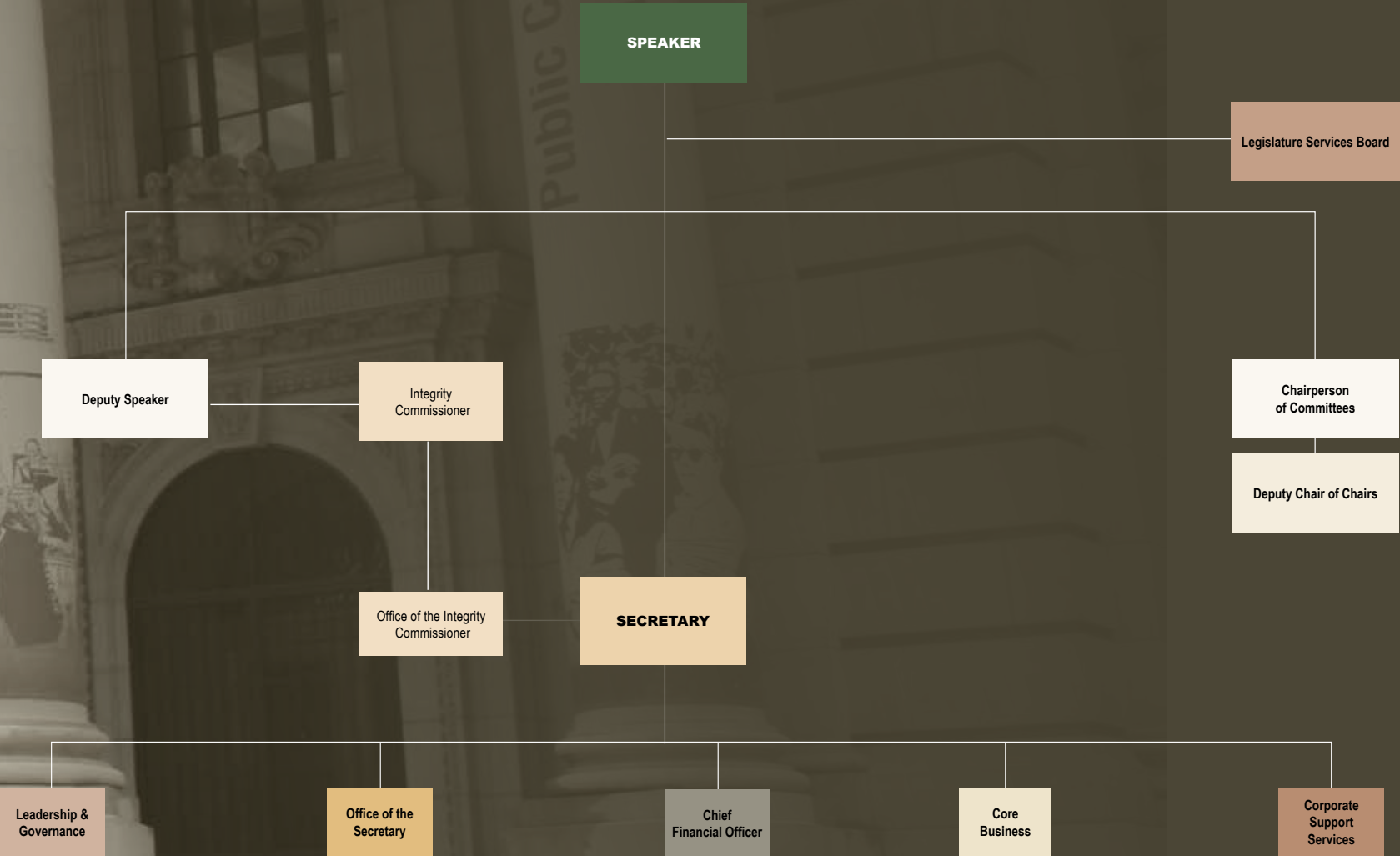
The constitutional mandates of the legislature remained unchanged. The provincial legislatures are established in terms of Chapter 6 of the Constitution of the Republic of South Africa, 1996 (thereafter referred to as the Constitution). Section 114 of the Constitution of the Republic of South Africa clearly states the responsibility of the Gauteng Provincial Legislature. This section entrusts the GPL with the responsibility to pass, amend and reject any Bill before it, including initiation or preparation of legislative Bills. The Act further extends the responsibilities of the GPL to oversee the Executive over the implementation of their departments' mandate. The GPL also has the responsibility to facilitate the involvement of the public in the legislative and other processes of the legislature and its committees in line with Section 118 of the Constitution.

The following are key legislative mandates that further outline the GPL's responsibilities and requirements:

- » Constitution of the Republic of South Africa, Act No. 108 of 1996 (Chapter 3 and Sections 114, 118 and 142 of the Constitution);
- » Financial Management of Parliament and Provincial Legislatures Act, 2009;
- » Political Party Fund Act, 2007;
- » Preferential Procurement Framework Act, No. 5 of 2000;
- » The Promotion of Access to Information Act, No. 2 of 2000;
- » Public Finance Management Act, No. 1 of 1999;
- » Gauteng Provincial Legislature Service Act, No. 5 of 1996;
- » Gauteng LSB Amendment Act, No 6 of 1999; and
- » Treasury Regulations.



8. ORGANISATIONAL STRUCTURE



9. OFFICE BEARERS 2014 – 2019

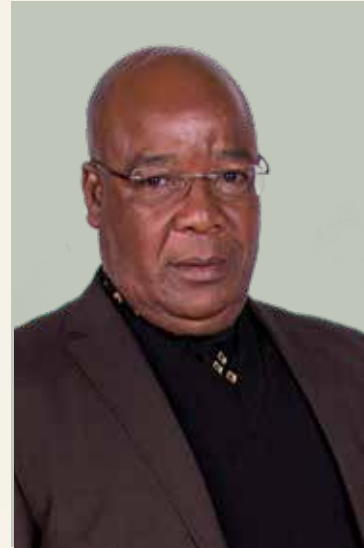
Presiding Officers



Hon. Lentheng Ntombi Mekgwe
Speaker of the Gauteng Legislature



Hon. Nomantu Nkomo-Ralehoko
Deputy Speaker



Hon. Mike Madlala
Chairperson of Committees



Hon. Mpapa Kanyane
Deputy Chairperson of Committees

Chairpersons of Standing Committees



Hon. Mike Madlala
Chairperson of Committees



Hon. Lentheng Ntombi Mekgwe
Rules and Programming Committee



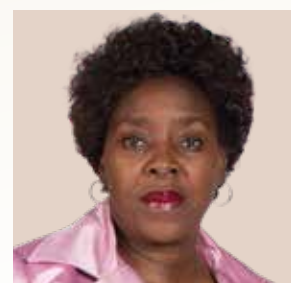
Hon. Nomantu Nkomo-Ralehoko
Privileges and Ethics Committee



Hon. Godfrey Tsotetsi
Oversight Committee on the
Premier's Office and the Legislature



Hon. Jacqueline Mofokeng
Committee on the Scrutiny
of Subordinate Legislation



Hon. Refilwe Mogale
Petitions Committee



Hon. Mbongeni Radebe
Public Accounts Committee

“A real leader uses every issue, no matter how serious and sensitive, to ensure that at the end of the debate **we should emerge stronger and more united than ever before.**” - Nelson Mandela

Leader of Government Business



Hon. Barbara Creecy

Leaders of Political Parties



Hon. Brian Hlongwa
ANC



Hon. John Moodey
DA



Hon. Mandisa Mashego
EFF

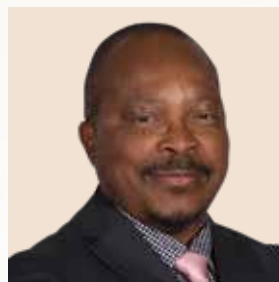


Hon. Bonginkosi Dhlamini
IFP



Hon. Philip van Staden
FFP

Chairpersons of Portfolio Committees



Hon. Sochayile Khanyile
Community Safety Committee



Hon. Mohatla Alfred Tseki
Co-operative Governance,
Traditional Affairs and Human
Settlements Committee



Hon. Errol Magerman
Economic, Environment, Agriculture
and Rural Development Committee



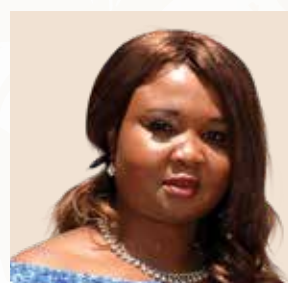
Hon. Joe Mpsi
Education Committee



Hon. Sakhiwe Khumalo
Finance Committee



Hon. Nompoti Nhlapo
Health Committee



Hon. Lindiwe Lasindwa
Infrastructure Development
Committee



Hon. Mafika Mgcina
Roads and Transport Committee



Hon. Thuliswa Nkabinde
Social Development Committee



Hon. Joyce Pekane
Sport, Arts, Culture and
Recreation Committee

Whips of Political Parties



Hon. Brian Hlongwa
Chief Whip
ANC



Hon. Thoko Magagula
Deputy Chief Whip
ANC



Hon. Maggie Tlou
ANC



Hon. Busisiwe Mncube
ANC



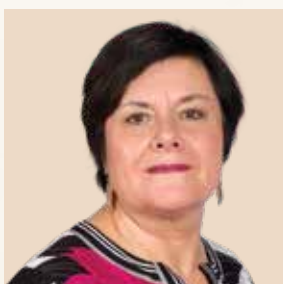
Hon. W Mbatha
ANC



Hon. Mike Moriarty
Chief Whip
DA



Hon. Fred Nel
DA



Hon. Janet Semple
DA



Hon. Refiloe Nt'sekhe
DA



Hon. Khume Ramulifho
DA



Hon. Lindiwe Dzimba
EFF



Hon. Hoffinel Ntobeng
EFF

“A good leader can engage in a debate frankly and thoroughly, **knowing that at the end he and the other side must be closer, and thus emerge stronger.** You don’t have that idea when you are arrogant, superficial, and uninformed.” - Nelson Mandela

Official Opening of the Legislature



Front row from left to right:

DA Party Leader, J Moodey; MEC J Mamabolo, MEC I Vadi, MEC N Mayathula-Khoza, MEC U Moiloa, MEC P Lesufi, MEC S Nkosi-Malobane; Premier, D Makhura; Speaker, L Mekgwe; Deputy Speaker, N Nkomo-Ralehoko; MEC G Ramokgopa, MEC L Maile, MEC B Creecy, MEC F Mazibuko; Chief Whip, S Khanyile; and Sergeant-at-Arms, M Zuma.

Second row from left to right:

Secretary to the Legislature, Mr P Skosana; MPL K Ramulifho, MPL D Mashego, Chairperson R Mogale, MPL B Mncube, Chairperson S Khumalo, Chairperson J Pekane, MPL Tlou; Deputy Chief Whip, T Magagula; Chairperson E Magerman, Chairperson J Mofokeng; Chairperson of Committees, M Madlala; Chairperson J Mpisi, Chairperson N Nhlapo, MPL M Chiloane, Chairperson L Lasindwa, Chairperson M Tseki and guests.

Third row from left to right:

MPL C Ranoka, Chairperson G Tsotetsi, MPL M Clarke, Chairperson V Mbatha, MPL R Nt'sekhe, MPL A Makola, MPL N Mokgethi; Deputy Chairperson of Committees, M Kanyane; Guest, MPL J de Goede, MPL S Msimanga, MPL A Fuchs, MPL K Lorimer; IFP Party Leader, B Dhlamini; MPL J Semple, MPL J Bloom and MPL L More.

Fourth row from left to right:

MPL A Sarupen, MPL A Randall, MPL P Willemburg, MPL K Chabalala, MPL Dr N Campbell, MPL B Hlongwa, MPL P van Staden, MPL J Engelbrecht, MPL F Nel, MPL P Sindane, MPL C Mabala, MPL M Ledwaba, MPL A Tshitangano, MPL H Ntobeng, MPL L Dzimba and EFF Party Leader, M Mashego.

PART [B]

“Following up on our commitments,
making your future work better”



PUBLIC PARTICIPATION



OVERSIGHT



LAW-MAKING

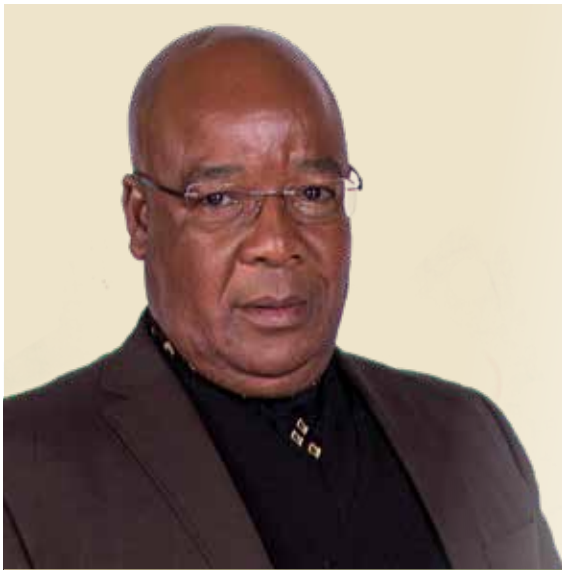


CO-OPERATIVE GOVERNANCE

PERFORMANCE INFORMATION



PERFORMANCE INFORMATION



We pledge ourselves to liberate all our people from the continuing bondage of poverty, deprivation, suffering, gender and other discrimination.
- Nelson Rolihlahla Mandela.

Hon. Mike Madlala
Chairperson of Committees

1. Overview Of Gauteng Provincial Legislature's Performance

1.1 Performance of Committees



Oversight

The work of the committees is core to the mandate of the legislature as committees oversee service delivery by the Executive. The discharge of the GPL Oversight mandate is given effect to through the Committees Oversight and Accountability Framework "COVAC", which is the GPL customization of the Sector Oversight Model (SOM). This work is championed and overseen by the Office of the Chairperson of Committees.

With respect to oversight, during the period under review, Committees had continued to build on the gains of the past two decades in the area of oversight and managed to subject the Executive to constant oversight and scrutiny.

Through a broad swath of oversight instruments the institution had a significant impact on governance processes.

Some of the key tools of oversight include:

- » Scrutiny of departmental reports;
- » Consideration of reports of the Auditor-General;
- » Public hearings;
- » Motions for debate,
- » Questions to the Executive;
- » Committee inquiries;
- » Oversight visits; and
- » Resolution tracking mechanism.

In addition, committees had implemented a number of proactive innovations towards ensuring robust oversight in line with relevant priorities:

- » Continued refinement of the Committees Oversight and Accountability Framework (COVAC).
- » Introduction of "Rapid Response Interventions" by the House committees to respond to immediate matters/situations in the province.
- » Introduction of an ambitious project to standardise performance information and reporting in the entire province, making GPL the centre of all oversight in Gauteng.
- » All SOM reports (annual performance plans, budget Votes, quarter and annual reports as well as FIS reports) were considered and adopted by committees. More than 35 Focused Intervention Studies reports were adopted between the 2017/2018 and 2018/2019 financial years.
- » The petitions system is one of the oversight mechanisms that are directly linked to fast-tracking service delivery backlogs by the legislature. It allows members of the public to directly petition the GPL on issues related to service delivery. Most of the petitions received, during the period under review, are in the areas of road infrastructure, RDP houses, and water and sanitation).



With respect to oversight visits, **committees have conducted in excess of 65 visits to the service delivery sites in the province.**

This was to ensure actual “on the ground” oversight at various sites including schools, clinics, landfill sites, e-maintenance projects and industrial hubs. **The oversight visits have been conducted in all regions of Gauteng throughout the period under review.**

Overall, the committee system has been relatively resilient in the period under review, with the above-mentioned mechanisms of oversight at their disposal. Through House Committees, the GPL has tremendously improved its methods of conducting oversight during the period under review, moving even closer to the full implementation of the Sector Oversight Model (SOM). Increasingly, Portfolio and relevant Standing Committees are engaging with their respective departments during planning stage, to agree on key policy proposals (contracting). Committees also engaged departments on policy issues through the submission of departmental five-year strategic plans as well as annual performance plans.

To this end and as a way of mitigating this risk, committees have since insisted that departmental annual plans should be tabled early and formally to allow committees of the House to interrogate them as well as engage with the relevant portfolio departments. To a large extent, this has since improved with respect to the GPL.

In line with the SOM, the focus of committees has been on the scrutiny of performance-oriented budgeting. As part of strengthening oversight, the GPL conducted an evaluation of the effectiveness of oversight tools, i.e. resolution tracking, motions, questions and committee inquiries. The GPL continued to exercise rigour in scrutinising reports from the Executive. Where weaknesses have been identified, the tools of oversight were utilised for purposes of guiding improvements in service delivery.



PERFORMANCE INFORMATION |continued|



Public participation mechanisms continue to play a critical role in facilitating public participation in the provincial governance and in ensuring a transparent and accountable democratic government.

Hon. Mpapa Kanyane
Deputy Chairperson of Committees

and accountable democratic government. During the period under review, committees continued to intensify the implementation of the public participation mechanisms to involve the people of Gauteng in the business of GPL. Some of these mechanisms include unannounced oversight visits, public hearings (internal and external), sector parliaments, public education programmes and Taking the Legislature to the People.

The portfolio committees have maintained meaningful involvement of the public and also established sustainable partnerships with key stakeholders. These include Chapter 9 institutions (e.g. the Auditor-General of South Africa, the Human Rights Commission, the Independent Electoral Commission, etc.), civil society organisations, media, and traditional leadership organisations.



Public participation

With respect to meaningfully involving the public in legislature business, committees have used various mechanisms to involve Gauteng residents in its work, which it has continued to intensify during the period under review. Some of these mechanisms include:

The 'Taking the Legislature to the People' initiatives;

- » Sector parliaments;
- » Public education programmes;
- » Bua Le Sechaba campaigns;
- » SOM-related public participation activities in committees; and

Committees held public hearings throughout the term, and this included internal and external hearings. It is thus important to state that committees have been an important entry point for the

involvement of communities of Gauteng in the business of the Gauteng Legislature. Similarly, there has been an improvement in the GPL's petitions system, with the introduction of e-Petitions system which has further broadened access for petitioners to lodge petitions with the GPL.

The level of cooperation with municipalities and the GPG, through the Office of the Premier's Ntirhisano Programme, has also improved. Through the implementation of sector parliaments, which are coordinated by the Office of the Chairperson of Committees, the GPL has always strived to reach out to the various sectors in Gauteng. The GPL has implemented nine sector parliaments for the following groupings: youth, women, children, LGBTIQ+, senior citizens, workers, interfaith, people with disabilities and commercial sex workers. Public participation mechanisms continue to play a critical role in facilitating public participation in the provincial governance and in ensuring a transparent



Law making

The GPL Committees were hard at work in discharging the law making mandate of the institution. Committees have recorded substantial progress to ensure that laws passed are responsive to the needs of the people. This is done through the process of drafting Bills and also through the referral of Bills to the National Council of Provinces (NCOP) to ensure that not only do the Bills pass constitutional muster, but they are representative of the needs of the people of Gauteng. The Bills that were processed pertain to transport, environmental management, traditional leadership, governance, agriculture, mining and financial management. Through the Committees Oversight and Accountability Framework, committees have monitored and reported on the Executive's implementation of Bills passed by the legislature and the impact thereof.





Cooperative governance

It is important to note that committees of the legislature do not exist and work as islands unto themselves. As legal formations, they collectively represent the interests of the people. Through the Committees Oversight and Accountability Framework (COVAC), the committees have reported on the meaningful partnerships that have been created, maintained or sustained with other government institutions and constitutional bodies. This is to ensure that the oversight, public participation and law-making work conducted by committees was shared, corroborated, peer-reviewed and strengthened through the cooperative governance processes.

The committees have also participated in local, regional and international benchmarking exercises to ensure that the processes, practices and innovations of the Gauteng Legislature are shared on a global platform and that lessons learnt from the international arena are institutionalised. This ensures that the

Gauteng Provincial Legislature remains at the cutting edge of processes and innovations related to the legislative governance.

Having noted the considerable achievements made by the committees during the period under review, it is clear that committees have delivered on their mandates and given effect to the constitutional provisions as well as the Standing Rules with respect to oversight and scrutiny, public participation and stakeholder engagement, law-making and cooperative governance. The relentless and in-depth focus on oversight proves that the GPL is serious about holding the Executive accountable, thereby ensuring that planned performance is indeed achieved.

However, no improvement is to be considered with complacency and relief for the mission now at hand is to ensure that every year's annual performance report is an enhancement of the previous one.

1.2 Organisational environment

In the year under review, an applied approach to human resources' value chain which epitomises the principle of good governance was in place. As

at the end of the reporting period, there were only two vacant positions at senior management. They mainly provide support to the political leadership in discharging their constitutional mandate. The vacancy rate remained steady at 4%. The Organisational Development project, guided by the tenets of the Fourth Industrial Revolution, is still underway. Extensive progress has been made in the implementation of the project and it is anticipated that it would be concluded before the end of the next reporting period, and its recommendations will be implemented in the new reporting period.

A recent perception audit gave basis to quantify the amount of energy and resources required in making the GPL the employer of choice. Collaboration with both external and internal stakeholders has signalled a positive trajectory.

1.3 Key policy developments and legislative changes

During the reporting period, there were no major key policy developments and/or legislative changes that affected the mandate of the GPL.



2. Strategic Outcome - Oriented Goals

The GPL has one strategic outcome-oriented goal: “To be a responsive legislature that fosters public confidence”. It is supported by six (6) strategic objectives, and progress made towards achieving this five-year goal is provided below.

SO1	Improved accountability by the executive to the legislature in respect of service delivery.
SO2	Improved meaningful involvement by the public in legislature business.
SO3	Increased responsiveness of laws to meet the needs of the people of Gauteng.
SO4	Fostered coherent and coordinated legislative sector.
SO5	Enhanced public confidence in the governance and leadership of the legislature.
SO6	Modernised business practices towards supporting the functions of the legislature.

3. Performance Information By Programme

Programme 1

Leadership and Governance

The purpose of Programme 1 is to provide overall strategic leadership and direction to the institution. The core function of the programme is to ensure alignment of the legislature processes as outlined in the GPL's Five-year Strategy, and to monitor and oversee the execution of institutional obligations. In addition, the programme provides leadership and direction to the Legislative Services Board (LSB) as well as safeguards the strategic political management of the Presiding Officers and Office Bearers, including the strategic management of committees to ensure political outcomes.

The programme comprises six subprogrammes, namely: the Office of the Speaker, the Office of the Deputy Speaker, the Office of Chairpersons of Committees, the Office of Deputy Chairperson of Committees, the Legislature Services Board, and the Inter Legislature Relations Office. Although Programme 1 contributes to all six (6) GPL strategic objectives, the focused contribution is in four strategic objectives, namely: *Improved accountability by the Executive in respect of service delivery, Improved meaningful public involvement by the public in legislature's business, Fostered coherent and coordinated legislative sector and Enhanced public confidence in the governance and leadership of the legislature.*

Strategic objectives, performance indicators, planned targets and actual achievements

The committees of the House are core to the mandate of the legislature as they oversee service delivery by the Executive in an efficient and effective manner to improve the lives of the people of Gauteng. Strategic objective 1 is aimed at ensuring that the GPL mandate to conduct oversight and scrutiny over Executive's action and performance is discharged. The discharge of the oversight mandate is given effect through the Committees Oversight and Accountability Framework (COVAC), which is the GPL's customisation of the Sector Oversight Model (SOM). This work is championed by the Office of the Chairperson of

Committees, and it includes monthly and quarterly performance assessments of all committees. The findings are then presented before all Chairpersons at the Standing Committee of Chairpersons Review sessions. As one of the highest decision-making bodies in the institution, this forum provides a space for robust engagements and peer review into the performance of committees. Administrative support in this regard is rendered to the Office of the Chairperson of Committees through the Committee Support Unit (CSU).

During the period under review, the oversight on the work of committees indicate that scrutiny and oversight permeated many programmes such as Taking Parliament to the People (TPPTP), community outreach engagements as well as unannounced visits to service delivery sites, to name but a few. Committees utilised various oversight tools such as oral and written questions to the Executive, Motions, resolutions, the committee inquiries process (CIP) and focused intervention studies (FIS) to ensure effective and advanced oversight. Through public participation, several feedback sessions were held with respective Gauteng communities, thereby media-profiling the work of the committees.

The GPL has made strides towards strengthening coherent and coordinated legislative sector, through participation at both political and administrative level. It continues to participate effectively in forums such as the National Speakers' Forum (NSF) and Secretaries Association of Legislatures of South Africa (SALSA). The GPL implemented various sector strategies, frameworks and standards that have been put in place through these forums and coordinated by the Legislative Sector Support Programme (LSS), with the aim to facilitate standard operations across the sector. Such implementation at the sectoral level enhanced and promoted collaboration in an effort to discharge the GPL mandate as well as contribute to the sustenance and growth of the legislative sector.

In this reporting period, Hon Lentheng Mekgwe, the Speaker of Gauteng Provincial Legislature, was, on the one hand, mandated to chair the task team of the National Speakers' Forum to develop a funding model of the legislative sector and lead the review of FMPPLA. It is envisaged that the sector funding model will entrench the sector's independence as well as enhance its potential to discharge legislative mandate without budgetary constraints.

On the other hand, Hon Nomantu Nkomo-Ralehoko, the Deputy Speaker of Gauteng Speakers' Forum (GSF) was also delegated to lead the development of the ethical and good governance regime of the legislative sector. As such, the process to develop ethical and good governance legislation that began in the previous reporting period is underway and it will form part of the recommendations to the Sixth Parliament.

The two key responsibilities entrusted to both the Speaker and the Deputy Speaker position the Gauteng Provincial Legislature at the epicentre of the legislative sector reforms.

The National Speakers' Forum (NSF) is mirrored by the GSF, which is an anchor at the provincial level to promote coherence in the sector and a tool to disseminate the work of the NSF. During the financial year under review, the GSF has, as part of its key milestones, steered the legislative sector reforms and created platforms for sharing best practices in the areas of financial and non-financial performance reporting. For instance, the GSF hosted the Parliamentary Oversight and Accountability Seminar to deliberate on best practices and create a platform for capacity enhancement of oversight committees at technical and political levels. The seminar adopted a Gauteng Legislative Sector-wide declaration under which the sector recommits to the following: to enhance oversight on financial and non-financial performance reporting, to comply with legislated requirements of ensuring that the business of the sector is underscored by meaningful public participation, and to identify and prioritise areas of capacity building and training of committees and administrative support within the collaborative scope of the adopted MoU of the GSF. This initiative contributes directly to the realisation of the oversight mandate of the GPL.

Furthermore, the GSF, together with the South African Local Government Association (SALGA), identified pieces of local government legislation creating structural inefficiencies such as the Municipal Structures Act. This, for the purpose of proposing legislative amendments. The review process is at the level of the NCOP, and forms part of the recommendations to the Sixth Parliament. The amendments of identified legislation are in line with the law-making mandate of the GPL.



This reporting period coincided with the lapse of the fifth term of the legislature and the 2019 national and provincial elections. The GPL, through the Citizens Responsibility Campaign - a brainchild of the Gauteng Speakers' Forum, conducted voter education and identity document (ID) collection campaigns in all the regions of the Gauteng Province. The GPL collaborated with the IEC and the Ministry of Home Affairs in these campaigns. The purpose of the campaigns was two-fold, namely: to ensure that the people of Gauteng have access to birth registration documents (birth certificates and IDs), as well as to foster civic education regarding the citizens' rights to vote. Access to IDs is an essential requirement in accessing government services such as healthcare, housing, education, etc. These services are at the crux of realising the Bill of Rights.

Congruent to SOM imperatives, the forum also adopted the terms of reference for the establishment of the funding model on the implementation of the separation of powers at the Sedibeng and West Rand District Municipalities' Section 79 Oversight Committees. Section 125 of the Constitution vests executive and legislative authority in the Municipal Council, which has been identified as an anomaly in the sphere of separation of powers. This is an

unintended consequence of the drafters of the Constitution.

Noting this anomaly, the forum established institutional arrangements to implement separation of powers, and the terms of reference for the funding model will inform the rationale for engaging the Department of Cooperative Governance and Traditional Affairs (COGTA) to avail ringfenced funding for this purpose. As part of emerging priorities from the Commonwealth Women Parliamentarians, the forum also coordinated launches of the multi-party women's caucuses in the various municipalities across Gauteng.

In this reporting period, the GPL continued to participate and host international legislature communities to share sector learnings. Incoming delegations included the Victoria State in Australia, Ghana and Kenya (Muranga county). Amongst other benchmarking studies, a political visit was undertaken to Japan. This visit concluded with recommendations for the establishment of partnership between Gauteng and Machida City. The partnership will ideally be in the areas of sports science, infrastructure development, local economic development, transport, bylaws and enforcement. This activity will further be pursued as part of the handover activities to the sixth term of the legislature.

The Ad-hoc Committee on Money Bills undertook a study to South Korea to learn from its counterparts on how to enhance the GPL's oversight capacity for scrutiny of the provincial budget and the economy.

The GPL was also central in coordinating a roundtable discussion with various stakeholders in the province in as far as the work of the Commonwealth Parliamentary Association is concerned. During the period under review, a roundtable discussion was convened in preparation for the 49th Commonwealth Parliamentary Association (CPA) Africa Region Conference that was held in Gaborone, Botswana in August 2018. The roundtable discussion was held under the theme of the upcoming Commonwealth Parliamentary Association Conference: *"The Role of African Parliaments in Fostering National and Regional Security"*. The Members of the Gauteng Provincial Legislature identified a need to invite key experts to deliberate on the topics to be covered at the joint CPA and CWP conference. The outcomes of the discussions enhanced the information bank and readiness of the GPL delegation to the conference in Botswana.

Some of the highlights of cooperative governance include the signing of the Memorandum of Understanding with the Office of the Public Protector on 14 February 2019. This partnership will enhance delivery of the GPL and PPSA's constitutional mandates, thus improving the lives of the people of Gauteng.

Although mechanisms are in place to improve ethical behaviour, but ensuring such behaviour prevails in all arms of the state remains a major challenge. These mechanisms need to be strengthened and deepened continuously. To this end, the GPL's 2nd Annual Ethics seminar was held to confront issues of ethics, integrity and governance in the legislative sector. Global developments suggest a growing trend towards a well-entrenched governance culture by involving citizens in government programmes. Such trends must directly narrate the visionary motives of responsible, ethical and integrity-governed aspirations for sustainable cultural intelligence in the legislative sector. The legislature successfully organised the Ethics and Rules workshop, working with the Gauteng Speakers' Forum and the Ethics Institute. The workshop was attended by the Members of the Legislature, Chairpersons of the Rules and Ethics Committees from the various municipalities, Deputy Chairpersons of Committees, Chief Whips, the GPL Integrity Commissioner and other ethics officers from the municipalities.



The institution also continued its oversight on strategic institutional projects through the Strategic Projects Oversight Forum (SPOF). Through the SPOF's oversight efforts, the legislature has seen the successful implementation of the Re-engineering of Public Participation project of the GPL, the Public Perception Survey, and the Commonwealth Women Parliamentarians' e-Discussion Forum. The SPOF will continue its oversight work to ensure adherence to good governance principles, and economic and efficient use of public resources in project implementation.

Strategic Objectives and Performance Indicators

Programme 1: Leadership and Governance							
Strategic Objective	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target Achievement 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/ 2019	Comment on deviations
Improved accountability by the executive to the legislature in respect of service delivery	Number of quarterly oversight reports on the performance of committees	New indicator	3	4	Achieved: 4 quarterly reports produced	No deviation	Not Applicable
Improved meaningful involvement by the public in legislature business	Number of quarterly oversight reports on feedback provided to Communities	New indicator	2	4	Achieved: 4 quarterly reports produced	No deviation	Not Applicable
Fostered coherent and coordinated legislative sector	Number of reports on fostering a coherent legislative sector by MPLs	New indicator	3	4	Achieved: 4 quarterly reports produced	No deviation	Not Applicable
Enhanced public confidence in the governance and leadership of the legislature	Number of initiatives to promote the ethical conduct in the GPL	New indicator	New indicator	1	Achieved: One (1) Ethics Seminar was held.	No deviation	Not applicable

LOOKING AHEAD – 2019/2020

- Develop a funding model of the Gauteng Speakers' Forum.
- Enhance value and the programme of action of the Gauteng Speakers' Forum.
- Develop the CPA/CWP's programme of action for the GPL.
- Support capacity building in local government.
- Establish new frontiers for the GPL Parliamentary Exchange Programme.
- Ensure adequate resourcing of the protocol function.
- Provide support to the Chairperson of the Privileges and Ethics Standing Committee to effectively oversee the implementation of the code of ethics by the Integrity Commissioner of the legislature.
- Develop, implement and monitor the plan of action of the GSF's Ethics Subforum.
- Host the 3rd Annual Ethics Seminar.



Programme 2:

Office of the Secretary

The Office of the Secretary serves as the custodian of the development and implementation of the strategy and provides strategic, tactical and operational leadership to GPL administration for the achievement of the institutional mandate of oversight and scrutiny, law-making, public participation and cooperative governance. The office is established to enable the Secretary to the Legislature to fulfil administrative and financial obligations in line with applicable legislation and legal directives. The office is also accountable for the institutional strategic planning, reporting, budgeting, monitoring, contract management, transversal mainstreaming, evaluation and project governance.

Strategic objectives, performance indicators, planned targets and actual achievements

The Office of the Secretary plays a critical role in providing strategic direction to facilitate effective decision making by the GPL administration. It achieves this through the Secretariat, which is the highest decision-making body. In this reporting period, the Secretariat focused on monitoring and tracking progress on decisions based on reported performance information and institutional strategic projects. It is accountable to the GPL oversight structures which include the Presiding Officers, Office Bearers, Standing Committee of Chairpersons, LSB, Board Committees, OCPOL, SCOPA, Finance Portfolio Committee and SPOF.

The programme contributes to all strategic objectives. It ensures alignment of strategy to operational plans, monitors GPL programmes in their performance and directly responds to the two strategic objectives, i.e. *“fostered a coherent and coordinated legislative sector”* and *“enhanced public confidence in the governance and leadership of the legislature”*.

In this reporting period, the GPL undertook both strategic and operational planning to ensure that staff is focused on performance and achieve results at the end of the Fifth Administration. The GPL successfully implemented the 2018/2019 Annual Performance Plan, and the 2019/2020 Annual Performance Plan was also drafted in line with the FMPPLA.

Furthermore, in compliance with the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA) and other relevant legislative prescripts, the Office of the Secretary oversees the effective and efficient management of the legislature through the Secretariat as the ultimate decision-making structure in the administration of GPL. The decision-making power is in relation to the administrative support provided to Members to enable them to hold the Executive accountable for service delivery. During the reporting period, there was continued implementation of FMPPLA, with about 100% compliance with regard to non-financial and financial performance.

To ensure good governance and enhanced public confidence in the work of the GPL, the Secretariat considered and adopted various policies, including monthly and quarterly performance reports, financial management reports, monitoring and evaluation reports, other institutional project governance reports as well as the SCM status reports regarding levels of GPL overall compliance with the FMPPLA, PPPF Act and Regulations. Furthermore, the SCM Policy and Legislative Framework governing the management of SCM operations was monitored and tracked through the Secretariat. This also

includes demand costing management, acquisition management, socioeconomic imperatives, affirmative procurement and tender committee's reports.

In compliance with the Contract Management Framework, the status of all contracts in relation to duration, costs and purpose were monitored and tracked through the contract register and reported at various structures. This was to ensure streamlining of contract management, management of risks of each contract as well as aligning the procurement process in terms of cancellations and renewals. This also ensured that all stages of decisions of the Legislature Acquisition Council are properly followed.

Some of the key highlights in the reporting period is the implementation of the Transversal Mainstreaming training to create awareness and build capacity of all levels of staff. The three (3) sets of customised training material targeting Members, management and staff, which were developed in the previous reporting period, were used to create awareness and build capacity of the GPL on transversal mainstreaming issues. This capacity development programme supports the achievement of the GPL's Strategic Objective 5: *“to enhance public confidence in the governance and leadership of the legislature”*. This



is achieved through facilitating institutional capacity to mainstream gender and human rights issues in the mandates and operations of the GPL, thereby enabling the institution to contribute to the country's transformation goals. The programme facilitates awareness, knowledge and skills for Members, managers and staff to mainstream transversal issues of gender, youth, disability and race (GE-YO-DI-R) in the execution of their functions.

Training was delivered in three phases. The first phase involved a two-day face-to-face training that reached both the internal and external participants (i.e. other departments and municipalities). The second phase of training was an online training, and the final phase was an off-site training that focused on gender-based budgeting. With this training, there is an increased level of awareness at the various levels of the institution and it is anticipated that lessons learnt through these initiatives will be incorporated into the institutional planning and budgeting for future implementation. This project thus established a systematic basis for planning and measuring the performance of the GPL in mainstreaming issues of gender, race, youth and disability, as well as exploring challenges hindering the required progress in mainstreaming human rights including gender.

The Integrity Commissioner (IC) is mandated with the implementation of the Code of Conduct which outlines the minimum ethical standards of behaviour that South Africans expect of their elected representatives, including upholding propriety, integrity and ethical values in their conduct. The key focal point of the Code is to foster a culture of a high degree of ethical conduct by the Members of the Gauteng Provincial Legislature and to ensure that Members do not place themselves in positions that are in conflict with their responsibilities as public representatives.

In line with Part 4 (20) (3) of the Code, Members disclosed their registrable interests within 30 days after the Official Opening of the Legislature for the reporting period. In this regard, the Office of the Integrity Commissioner also undertook a scrutiny of the Register of Members' Interest for the 2017/2018 financial year but only published it in the period under review. The register for 2018/2019 was completed and it will be published in the next reporting period as prescribed in the Code.

The Office of the Integrity Commissioner participated in a workshop convened by the Ethics Institute of South Africa and drafted a discussion

document on the Integrity Bill. It is envisaged that the actual Bill will be drafted in the next reporting period. The IC also investigated various complaints and tabled the reports and recommendations to the Privileges and Ethics Committee. The Legal Services Section continued to provide legal support to the administration, committees and the Office of the Speaker.

During this period, the GPL continued to provide leadership by overseeing and monitoring the implementation of institutional projects. The Project Governance Office (PGO) is responsible for overseeing project compliance with various institutional policies inclusive of the project management governance and project management process frameworks. The PGO is also responsible for providing mentorship and coaching services to the project managers in the implementation of the GPL's project portfolio and to ensure portfolio alignment to the overall strategy. In discharging its responsibilities, the PGO conducts regular project health reviews and project performance reviews; and prepares comprehensive monthly project performance reports which give account of overall progress in the implementation of project portfolios. In the reporting period, the GPL has successfully



concluded implementation of the three institutional projects i.e. Re-engineering of Public Participation Project of the GPL (Baseline Assessment), Commonwealth Women Parliamentarians’ e-Discussion Forum, and Public Perception Survey Project. Several projects are still live and will be concluded in the next reporting period. These include the Voter Education Project, Business Enhancement Plan, Organisational Development Project, Rehabilitation of Waterproofing and Roofing in the Main Building, Space Optimisation Project as well as the Upgrading of the Plumbing Installations and Drainage project.

Strategic Objectives and Performance Indicators

Programme 2: Office of the Secretary							
Strategic Objective	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Enhanced public confidence in the governance and leadership of the legislature	Number of quarterly performance information reports on APP progress	N/A	4	5	5	No deviation	Not applicable
	Number of transversal mainstreaming capacity development initiatives conducted	New indicator	New indicator	4	4	No deviation	Not applicable

LOOKING AHEAD – 2019/2020

- Develop a strategic plan for the Sixth Legislature.
- Conduct research on the media portrayal of people based on stereotypes relating to gender, race, disability and age.
- Review and implement the governance framework to deliver efficient and effective management of projects and contracts.
- Introduce the Basic Institutional Project Support Network and Guidelines. The guidelines are aimed at harnessing and enhancing aspects of the Project Management Methodology, Project Management Governance Framework, and the Project Management Process Framework of the Legislature.
- Undertake a comprehensive review of the GPL’s project management capacity and capabilities to successfully execute projects.
- Continue to provide services to the Members in line with the mandate of the Integrity Commissioner.



Programme 3:

Corporate Support Services

The purpose of the Corporate Support Services is to give support to all internal stakeholders. These include provision of enabling facilities and benefits for Members and their political parties, rendering human resource and Members' facilities management services; providing household, security and logistical services, including facilitation of occupational health and safety services; rendering administrative and user support services, as well as enhancing and maintaining information technology infrastructure.

Programme 3 is a support function comprised of four (4) directorates, i.e. the Members' Affairs, Operational Support Services, Institutional Support Services as well as Information Communication Technologies. Although the programme contributes to all the set strategic objectives, in this reporting period, it specifically contributed to Strategic Objective 6, i.e. *"Modernised business practices towards supporting the functions of the legislature"*.

Strategic objectives, performance indicators, planned targets and actual achievements

The programme has the responsibility to ensure that corporate support services provided to the institution enable Members to discharge their mandate. The services provided include capacity building, property and facility services, information communication technologies, people management, human and other operational services to political parties and Members.

During this reporting period, several training initiatives were conducted to continuously ensure that Members are updated on the latest practices, norms and standards within the sector. The training programmes covered areas such as legislative drafting, paralegal, protocol and business etiquette, and House Rules.

The Memoranda of Agreement were signed with political parties represented within the legislature and implementation of the contents was effectively monitored. In this reporting period, the Party Fund and constituency allowances were made timeously to political parties represented in the GPL in

order to establish and maintain infrastructure to serve the interests of their constituents. These transfers were made in terms of section 35(1) of the Financial Management of Parliament and Provincial Legislatures Act (Act No. 10 of 2009) and comprehensive policies, which guide the spending of the transfer payments.

Furthermore, in line with Political Party Funding Act, the GPL conducted financial audits on all funds transferred to political parties. All the five parties achieved clean audits, and this is attributed to the support and monitoring offered to the parties by the GPL. Courtesy visits were conducted with all parties. Monitoring of political party funding was executed as planned.

As this reporting period coincides with the last year of the Fifth Legislature, a transition to the Sixth Legislature was successfully initiated which resulted in the disestablishment of the Fifth legislature. Support was provided to the Members to understand the exit process and a disestablishment workshop was held relating to their benefits, salaries, business tools, vacating of offices and other related matters.

The GPL's ICT Governance Framework is aligned to the King IV Report, Department of Public Service

and Administration's (DPSA) Governance of ICT Framework, *Control Objectives for Information and Related Technologies (COBIT)* and *Information Technology Infrastructure Library (ITIL)* principles. The implementation of the governance framework has contributed to a significant reduction of ICT audit findings and reduced ICT risks from concerning levels to acceptable levels. Furthermore, the GPL has strengthened the protection of its ICT systems from cybersecurity threats, with the implementation of a modernised threat management gateway to ensure the GPL information is further protected from data loss.

The Business Enhancement Plan (BEP) was initiated at the commencement of the Fifth Legislature in 2014, with the aim of modernising the GPL business practices and transitioning the institute to a paperless e-Legislature. The project implemented 96% of the milestones over the 5-year term and notable milestones achieved in the period under review include the upgrading of the Chamber and installation of video cameras and control room tools. This upgrade provides for the state-of-the-art equipment that has increased capacity to capture and distribute the House recordings, thereby improving the broadcasting quality of such recordings.



Although the plan was to finalise the Enterprise Composite Model in this reporting period, this activity will be undertaken in the next reporting period. In addition, 98% of service desk calls were captured and resolved; the network uptime recorded was 99.51% on average. As at the end of this reporting period, progress made towards the implementation of the Organisational Development Project was at 57% completion. The outstanding 43% will be concluded in the next reporting period. It is anticipated that once the project

is completed, the institution will implement a new organisational structure informed by thorough research and design, consultation, effective and efficient service delivery and performance, including the identified Centre of Excellence (CoE). The Space Optimisation Project will be executed in the 2019/2020 financial year. *Two options are being pursued, namely:* construction of a new facility on Beyers Naude as a PPP project via GIFA; and the purchase and rehabilitation of the Mutual & Federal Building. However, this building

has been sold. The GPL is looking for alternative buildings within the CBD in close proximity to the City Hall.

To promote good governance and leadership as well as contribute to the maintenance of the clean audit of the GPL, the Policy Committee reviewed and processed a total of 24 internal policies (i.e.16 staff and 8 Members' policies). A total of four (4) Members' and two (2) staff policies were adopted by the LSB.

Strategic Objectives and Performance Indicators

Programme 3: Corporate Support Services							
Strategic Objective	Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target 2018/2019	Comment on deviations
Modernised business practices towards supporting the functions of the legislature	Efficiency of GPL business processes	43%	75%	100% completion of business enhancement plan	Achieved: 96%	Deviation: 4% ECM was delayed due to technical challenges experienced by the new internet solution service provider	ECM will be finalised in the next reporting period

The strategy to overcome areas of underperformance

The finalisation of the Enterprise Composite Model (ECM) was delayed due to the technical challenges experienced by the new internet service provider (ISP). The ISP resolved the technical challenges, and installation of the ECM equipment will be concluded in the first quarter of the 2019/2020 financial year.

LOOKING AHEAD – 2019/2020

- Complete the Organisational Development exercise and implement its recommendations. Establishment of the Sixth Legislature after the 8 May 2019 elections. The process to complete the establishment of the Sixth Legislature which includes the first inaugural Sitting, registering, swearing in, induction and orientation of Members; as well as engagement of political staff.
- Develop the sixth term ICT Strategic Plan. The plan will document the institution's five-year plans to modernise the institute and leverage technology to achieve the constitutional mandate while at the same time addressing ICT risks associated with the adoption of technology.
- Sign Memorandum of Agreements (MoAs), conduct courtesy visits with political parties, as well as capacity building for Members.
- Continue with the implementation of the Space Optimisation project by appointing a technical advisor (TA), conducting a feasibility study, and procuring services for new space for the GPL.



Programme 4:

Core Business

The purpose of the Core Business Programme is to provide comprehensive support to the House and its committees to be able to advance the constitutional mandates of law-making, oversight and scrutiny over the work of the Executive, public participation and cooperative governance. Core Business ensures involvement by the people of Gauteng in the business of the legislature through the provision of adequate support to different public participation initiatives and creation of platforms that ensure effective participation.

The programme consists of three subprogrammes that play a central role in the attainment of key strategic objectives of the GPL, namely: *Parliamentary Business, Communications & Public Participation and Petitions, and Information and Knowledge Management*. In this reporting period, the programme contributed to all strategic objectives which support the constitutional mandates of the legislature as part of an integrated programme implementation. However, specific contribution was limited to four key strategic objectives, i.e. improved accountability by the Executive to the legislature in respect of service delivery, improved meaningful involvement by the public in legislature business, increased responsiveness of laws to meet the needs of the people of Gauteng, and enhanced public confidence in the governance and leadership of the legislature. In executing these mandates, the programme continued to provide comprehensive professional support to the legislature through coordination and administration of House and committee business.

Strategic objectives, performance indicators, planned targets and actual achievements

In strengthening oversight and scrutiny, the programme continued to support the implementation of the Sector Oversight Model (SOM). In line with SOM, the House committees produced 110 oversight reports (i.e. 64 quarterly and 46 annual reports) on the work of the provincial departments, and 20 Focused Intervention Studies (FIS) reports. The FIS reports covered but not limited to the following:

- » an evaluation of the Early Childhood Development

programme and its role in social transformation from the Gauteng Department of Social Development;

- » an assessment of the Sports Academies Programme and the support they provide to athletes in the Gauteng City Region;
- » an assessment of the capacity of the Department of Community Safety to coordinate the Gauteng Law Enforcement Agency Forum (GLEAF) to reduce crime in Gauteng;
- » an assessment of the Office of the Premier's support towards the achievement of targets on Military Veterans;
- » an assessment of an irregular expenditure incurred by the Gauteng Department of Agriculture for the 2016/2017 financial year;
- » an assessment of revamping of mining towns project: a case study of Merafong City;
- » addressing the challenges in the delayed projects of the Department of Roads and Transport;
- » the overhaul of the g-FleeT Management with a purpose to strengthen the debt collection system;
- » an assessment of the GDE's Schools Infrastructure Management, Maintenance and Refurbishment of schools in support of quality learning and teaching schools in the Gauteng Province;
- » the 'refurbishment of township industrial parks

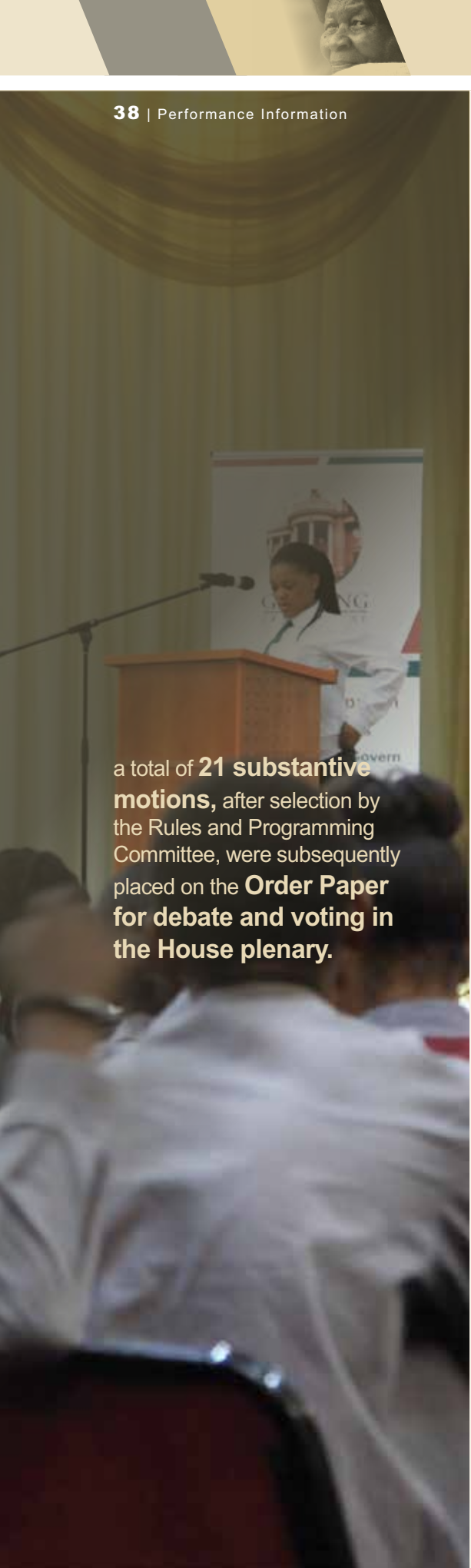
towards the realisation of the mandate for economic development and growth;

- » Gauteng Broadband Network: "Are client departments keeping the momentum with ICT objectives within the Gauteng City Region;
- » an assessment of the effectiveness of the Prevention of Mother-to-Child Transmission (PMTCT) programme in Gauteng; and
- » community disruptions affecting the proper management of the projects for the 2016/2017 financial year.

The oversight reports as well as the FIS reports were subsequently tabled and adopted by the House, culminating into 724 House resolutions that were passed in the year under review. House Resolutions are a mechanism applied to gauge the effectiveness of the legislature on its oversight and scrutiny role to hold the Executive accountable. In this reporting period, processing of resolutions meant that 625 House Resolutions were communicated to the relevant Executive. Three hundred and twenty-one (321) responses¹ were received from the Executive. Of this responses, 307 were referred to the respective House committees for oversight purposes, which include tracking their implementation by the departments.



¹ The responsibility for responding to resolutions rests with the Executive to whom the resolutions are put.



a total of **21 substantive motions**, after selection by the Rules and Programming Committee, were subsequently placed on the **Order Paper for debate and voting in the House plenary.**

The legislature also uses committee inquiries, questions and motions as oversight tools to hold the Executive accountable. In the period under review, one committee inquiry on “the poor bus services and fare increase” was concluded. With regard to questions, a total of 1 127 questions (i.e. 925 questions for written reply and 202 questions for oral reply) were processed. The processing of Members’ questions for oral and written responses involved editing the questions for compliance with the Standing Rules, communicating them to the Executive and publishing them in the Order Paper.

In addition, a total of 23 Motions were passed by the House (refer to the table below for the list of these Motions). Processing of motions meant that all 23 substantive motions, after selection by the Rules and Programming Committee, were subsequently placed on the Order Paper for debate and voting in the House plenary.

Motions debated by the House Plenary in the 2018/2019 financial year

1	Motion on reducing waiting time in Gauteng Health Facilities.	2	Motion on Land reform and expropriation without compensation.
3.	Motion of no confidence in the Premier David Makhura.	4.	Motion on SIU investigations into certain affairs of the Gauteng Department of Health.
5.	Motion on Commemoration of Freedom Day.	6.	Motion on school security.
7.	Motion on economic empowerment of the African women, young and matured, in Gauteng.	8.	Motion on opening of Special Courts for women, children and all vulnerable people.
9.	Motion on abolishment of labour brokers.	10.	Motion on criminalisation of racism.
11.	Motion on public representatives and senior public servants to use public services.	12.	Motion on national Women's month.
13.	Motion on Heritage month.	14.	Motion on Youth month (selected for 28 June 2018).
15.	Motion on the removal of "Die Stem" from the South Africa's National Anthem, at all Gauteng Provincial Government events including during the Opening of the Gauteng Provincial Legislature.	16.	Motion of Urgent Public Importance for Resignations of Infrastructure Development, MEC Jacob Mamabolo, and Health MEC, Gwen Ramokgopa.
17.	Revised Motion on requesting zero tolerance on illegal initiation schools and zero deaths from botched initiation.	18.	Motion on irregular awarding of a project management tender in the City of Tshwane Metropolitan Municipality.
19.	Motion on the impact of increased urbanisation on the province's public health facilities resulting in increased epidemiological factors that result in outbreak of diseases in public healthcare facilities.	20.	Motion on Common Effort to restore moral values in society.
21.	Motion on Gauteng response to the stimulus package announced by President Ramaphosa.	22.	Motion on the collapse of Emfuleni Local Municipality.
23.	Motion on the collapse of the Merafong Local Municipality.		

As provided for by the Gauteng Petitions Act, the petitions mechanism provided a platform for the people of Gauteng to submit their petitions or complaints to the legislature. The petitions as an oversight mechanism allowed the Standing Committee on Petitions (SCP), on behalf of the petitioners, to facilitate, oversee and demand action on the backlogs and/or feedback on queries relating to service delivery from the provincial departments. The processing of petitions involved providing administrative support in terms of receipt and registration of the petitions and ensuring thorough preparation of the submissions for consideration by the SCP. In the period under review, a total of 143 petitions were received from the public. Of this total, 86 were tabled before the Standing Committee on Petitions for consideration. The committee also considered a total of 45² petitions from the previous reporting period.

² Calculation of 2018/19 performance on petitions is based on all submission received in the year under review. Submissions received in previous reporting periods which total to 283 are not accounted for in the performance table. A total of 45 petitions from previous reporting periods were processed in this reporting period.

On the public participation front, several workshops were conducted in support of the legislature business such as House Sittings, committee outreaches, sector parliaments and Critical Thinking Seminars. Public education, with a focus on civic education, was central to the work undertaken in this reporting period.

Sector parliaments are a tool that the GPL uses to enhance public participation and to deepen democracy by involving specific groups in the legislature business. A total of seven (7) sector parliaments took place as listed below:

				
01	Interfaith Parliament	Bronkhorstspuit Sports Complex	5 May 2018	
02	Youth Parliament	Nasrec Expo Centre	15 June 2018	
03	Children's Parliament	Alberton Civic Centre	13 July 2018	
04	Women's Parliament	Vereeniging Banquet Hall, Sedibeng Region	17 August 2018	
05	Senior Citizens Parliament	Soshanguve	19 October 2018	
06	Lesbians, Gays, Bisexual, Transgender & Intersexual (LGBTI)	Carletonville Sports Complex	21 October 2018	
07	Persons with Disabilities Seminar	Munsieville Community Hall	06 December 2018	

In addition, various feedback sessions were held to report back on the resolutions which emanated from the sector parliaments or community queries raised during the Taking Legislature to the People activities.

The Baseline Study, the last milestone of the Re-engineering of Public Participation Project, was completed in the year under review. The study was aimed at setting clear performance baselines for public participation and project realistic targets for future performance. The recommendations of the study will inform the strategic planning session of the Sixth Legislature.

The implementation of the GPL Integrated Communication Strategy resulted in several key achievements towards meaningful involvement of the people of Gauteng in the business of the legislature. To this end, the GPL used different media platforms i.e. social media, community and commercial media (print, television and radio) and face-to-face interactions to engage at least 150 705 people compared to 110 665 people reached in the previous financial year. Social media (that is, Facebook, Twitter and Instagram) accounted for 90% of this reach, while the other medium accounted for the remaining 10%. It should be noted that the social media reach is mainly at the first level of the public participation spectrum of informing the public about the business of the GPL. The institution also hosted a successful first Sitting of the 2019 Fifth Session of the Legislature at the Alberton Civic Centre, City of Ekurhuleni, on 18 February 2019, under the theme, *“Following up on our commitments, making our future work better”*.

As part of the continuous involvement of the people of Gauteng in the business of the legislature, the GPL hosted several events in the reporting period. These include, among others, the following: the National Commemorative days such as the Freedom and Workers’ Day, Mama Bertha Gxowa’s Memorial Lecture, Roundtable Discussions, and Take a Girl Child to Work Conference. The Citizens Responsibility Campaign (CRC), which entailed seminars, workshops, outreach/roadshows, interviews and debates regarding the civic and voter education were also among the key activities that were rolled out under the auspices of the Integrated Communication Strategy.

In August 2018, the GPL hosted the 4th Annual Vita Basadi Awards to recognise excellence by Gauteng women

in various industries and acts of community service throughout the city region. Through this initiative, the Honourable Speaker, Ntombi Mekgwe, honoured at least 10 Gauteng women who make a positive impact in their communities without reward. The awards were divided into eight (8) general and two (2) special categories as listed below:

Award Category		Winner	Runner Up
1.	Outstanding Youth Philanthropist Award	Mpho Mofokeng	Duduzile Thwala
2.	Community Heroine Award	Helen Mthembu	Nkele Maubane Nonhlanhla Monica Khoza
3.	Community Builder of the Year Award	Agnes Magodzho	Beatrice Nkuna
4.	Woman of Honour Award	Anna Nkele Zondo	Busi Johnson Devi Moodley
5.	Unsung Legend Award	Corine McClintock	Zodwa Mofokeng
6.	The Guardian Award	Adele van Zyl	Candy Mabala
7.	Young Dignitary Award	Stacey Fru	Daisy Ndhlovu Pamela Ngubeni
8.	Outstanding Creative Award	Masego Tlhakanye	Malebo Sephodi
9.	Life Time Achievement Award	Mama Rita Ndzonga	
10.	Speaker’s Special Award	Ma Thandi Khumalo	Mama Bertha Gxowa’s Daughter





The law-making power in Gauteng is vested in the Gauteng Provincial Legislature by the Constitution. Section 114 (1) of the Constitution mandates the GPL to consider, pass, amend or reject any Bill before it and initiate or prepare legislation. The legislature also participates in the National Council of Provinces (NCOP) to ensure that all the Bills passed by parliament represent the interests and needs of the people of Gauteng. In the period under review, the GPL considered 21 Bills that comprised 11 NCOP Bills and 10 Provincial Bills. *Table below indicates the Bills that were passed, or mandates given by the GPL during the year under review.*

Type of Bill
Section 76
1. National Health Laboratory Services Amendment Bill [B15B-2017]
2. Administrative Adjudication of Road Traffic Offences (AARTO) Bill
3. National Credit Amendment Bill [B30-2018]
4. National Gambling Amendment Bill
5. National Public Health Institute of South Africa [B16B-2017]
6. National Land Transport Amendment Bill [B7B-2016]
7. Properties Practitioners Bill [B21B-2018]
8. Public Service Commission Amendment Bill [B21D-2015]
9. Marine Spatial Planning Bill [B9D-2017]
10. Communal Property Association Amendment Bill [B12B-2017]
Section 77
1. Division of Revenue Amendment Bill [B2-2018]
Provincial
1. Gauteng Authority Transport Bill
2. Gauteng Unauthorised Expenditure Bill [G004-2018]
3. Amendment of the Electoral Act
4. Gauteng Appropriation Bill [G001-2018]
5. Gauteng Provincial Appropriation Bill [G003-2019]
6. Gauteng Provincial Adjustment Appropriation Bill [G007-2018]
7. Gauteng Provincial Second Adjustment Appropriation Bill [G004-2019]
8. Gauteng Provincial Road Traffic Amendment Bill [G003-2018]
9. Financial Management of the Gauteng Provincial Legislature Repeal Bill [G002-2019]
10. Gauteng Provincial Legislature Money Bills Amendment Procedure and Related Matters Bill [G001-2019]

- » To enhance public confidence in the governance and leadership of the legislature, the Public Perception Survey was conducted to determine how the GPL is perceived by the people of Gauteng. The results and recommendations of this project will be used in the development of the next Five-year Strategic Plan and its subsequent annual performance plans for the incoming political administration.
- » To build and maintain records of the House, all proceedings were recorded and Sitting transcripts were produced.

Strategic Objectives and Performance Indicators

Programme 4: Core Business						
Strategic Objective	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Improved accountability by the Executive to the legislature in respect of service delivery	Number of Sector Oversight Model (SOM) imperative reports produced	49 Quarterly Oversight Reports were produced	64 quarterly oversight reports	Achieved: 64 quarterly oversight reports produced	No deviation	Not applicable
		30 annual oversight reports produced	46 annual oversight reports	Achieved: 46 annual oversight reports produced	No deviation	Not applicable
		21 Committee Focused Intervention Studies (FIS) Reports	20 Committee Focused Intervention Studies (FIS) reports	Achieved: 20 Committee FIS reports were produced.	No deviation	Not applicable
	Percentage of committee inquiries conducted by the legislature	New indicator	100% Committee Inquiry conducted	Achieved: 100% (1 Committee Inquiry conducted on Poor Bus services and fare increase	No deviation	Not applicable
	Percentage of resolutions processed by the House	100%	100% of resolutions processed	Achieved: 93% (625 of 724 resolutions communicated to the Executive. 307 of 321 replies referred to committees)	Deviation: 7% (99 House resolutions not communicated to the executive, and 14 responses not referred to committees)	Increased capacity (staff) and improve management oversight on the business process flows and turn-around time of communicating House resolutions.
	Percentage of questions processed by the House	100%	100%	Achieved: 100% (1 127: 925 written and 202 oral) questions communicated to the Executive	No deviation	Not applicable
	Percentage of motions processed by the House	100% (19 motions) processed	100%	Achieved: 100% (23) motions processed.	No deviation	Not applicable
	Percentage provision of record services to the House and its committees	New indicator	100%	Achieved: 100% (29 House Sitzings and 344 committees)	None	3 Committees' records are unaccounted for due to technical damages incurred
Improved meaningful involvement by the public in legislature business	Percentage of regulations processed by the House	New indicator	100%	Achieved: 100% (9 regulations were processed)	None	No deviation
	Percentage of petitions processed in accordance with the relevant legislation	93% (79 out of 80 new petitions) fully processed. Deviation: 7% A total of 24 petitions (i.e. 1 adopted and 23 closed) were not processed in line with the plan.	100%	Achieved: 60% (86 out of 143 ³ new petitions) were processed.	Deviation: 40% (72 new petitions submission forms not processed)	The percentage of petitions that could not be processed by the Committee within the 2018/19 FY is a result of the capacity of the Committee and the petitions backlog.

³ 143 petitions submissions forms received – processed 71 forms constituting 86 petitions; 72 submission form not processed. A petitions submission form can constitute more than one petition. In this financial year, six (6) petitions submission form constituted 20 petitions.

Programme 4: Core Business						
Strategic Objective	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
	Percentage increase in the people of Gauteng who participate in the business of the GPL	329% (101 665)	15% (116 915)	Achieved: 48% (150 705)	Deviation: Target exceeded by 33% due to exploitation of social media	Social media has significantly increased the number of people who virtually participated in the business of the legislature.
Increased responsiveness of laws to meet the needs of the people of Gauteng	Percentage of Bills processed by the GPL	100%	100%	Achieved: 100% (21 Bills: 10 Section 76; 1 Section 77 and 10 provincial) Bills processed	No deviation	Not applicable
Enhanced public confidence in the governance and leadership of the legislature	Number of research studies conducted	New indicator	1 Public Perception Survey	Achieved: 1 Public Perception Survey Report produced.	No deviation	Not applicable

Changes to planned targets

There were no adjustments made to the performance targets during the 2018/19 financial year.



LOOKING AHEAD – 2019/2020

- Ensure that the results and recommendations of the Public Perception Survey conducted in 2018/2019 inform the five-year strategic plan of the Sixth Legislature.
- Implement all recommendations of the study on the efficacy of oversight tools i.e. questions, resolutions, motions and committee inquiries.
- Implement the identified recommendations from studies conducted as part of the re-engineering of public participation project, i.e. public participation mechanisms, the baseline study and public education programme.
- Enhance the management of resolutions including support to the oversight on implementation of resolutions.
- Improve support to the law-making function, which includes overseeing the implementation of laws.
- Induct new Members on the implementation of the key legislature mandates within the confines of the programme.
- Improve analysis of the number of people reached through the utilisation of multimedia platforms, through media monitoring system and social media.
- Foster good record-keeping regime across the GPL and facilitate maximum utilisation of electronic tools that are critical for data/information management.

Programme 5:

Office of the CFO

The purpose of the programme is to provide professional financial, risk and supply chain management services to the stakeholders for the realisation of the GPL's strategic goals and objectives. The office strives to raise financial resources equitably to ensure adequate funding for the implementation of the institution's strategic plan whilst promoting effective financial management in respect of revenue, expenditure, assets and liabilities.

The office promotes strong financial, supply chain and risk management practices through partnership processes with all programmes of the GPL. It provides effective and efficient management of all financial resources through the implementation of best business practices by linking strategic planning, budgeting and reporting. The office is also responsible for ensuring continuous implementation of all relevant financial legislation to enhance the fiscal stability, accountability and integrity of the GPL.

Programme 5 is a custodian of governance processes as they pertain to financial management, supply chain management, as well as audit and risk management. The programme also ensures resource allocation and management in support of institutional programmes.

This programme contributes towards Strategic Objective 5, i.e. *Enhanced public confidence in the governance and leadership of the legislature.*

Strategic objectives, performance indicators, planned targets and actual achievements

The programme promoted strong financial, supply chain and risk management practices through partnership processes with all programmes of the GPL and stakeholders for the realisation of the institution's strategic goals and objectives. Finance, supply chain and risk management activities were increasingly aligned and managed to promote good governance. This enhanced a continuation of economic, efficient and effective utilisation of resources for the achievement of the GPL's objective. The programme continued with its objective of ensuring that the GPL achieves its stated objectives with limited resources, by implementing cost-cutting measures and prioritising activities and

projects. In line with Section 51 of FMPPLA, financial reports were prepared on a monthly basis and were submitted to both internal and external stakeholders within 15 days of each month.

The programme coordinated and facilitated the 2018/2019 regulatory audit by the Auditor-General of South Africa, in line with the FMPPLA. An external audit strategy was immediately updated to address the AG's reported findings. The implementation of the action plans was monitored throughout the period. The final Audit Plan for 2018/2019 was presented to the Audit and Risk Committee for acceptance and approval.

To ensure appropriate levels of delegation, improve operational efficiencies and ensure compliance, a total of four policies were reviewed, i.e. Subsistence & Travel Policy, Supply Chain Management Policy, Asset Management and Inventory Management Policy. A total of three (3) procedure manuals were developed or reviewed and that is, Delegation of Authority Manual, SCM Procedure Manual, Asset and Inventory Manual.

In this reporting period, the GPL Governance Framework and the associated implementation plan were developed and presented to the LSB and its committees. The Governance Framework was

duly adopted for implementation in the 2019/2020 financial year. Furthermore, the GPL implemented the Risk Management Plan. This involved the Audit & Risk Committee, Risk Management Committee, implementation of GPL Risk Mitigating Plans, as well as fraud risk assessment and operational risk assessment for all subunits.

In improving the supply and demand value chain, demand plans for all programmes were prepared to facilitate requisitions for goods and services in this reporting period. Furthermore, existing suppliers in the database were vetted and the non-vetted suppliers were removed from the database. During this period, the legislature made strides in implementing the revitalisation of township economies. Thus, in response to the GPL's imperative of Taking the Legislature to the People, township businesses were prioritised and allocated business in line with the Township Economic Revitalisation Programme. A provision for the promotion of BBBEE is also made in our SCM policy to further emphasise the seriousness that is orchestrated by both Acts. *The programme ensured monthly reporting of HDIs, PwDs, women and youth participating in the GPL's procurement processes as per the table below:*

Totals	209 300 891,43	27 472 899,16	192 550,00	136 727 434,66
	Monthly Spend	Township	Co- Ops	HDI
Monthly %		13,13%	0,09%	65,33%
Totals	69 333 577,70	25 553 094,00	1 105 434,89	244 657 955,43
	Women	Youth	Disabled	B-BBEE Level
Monthly %	33,13%	12,21%	0,53%	116,89%



All the above activities contributed to enhanced public confidence in the governance and leadership of the legislature which directly impact on it becoming a responsive legislature that fosters public confidence.

Strategic Objectives and Performance Indicators

Programme					
Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Results of the audit outcome	Clean audit outcome achieved	Results of the audit outcome	Achieved: Unqualified audit outcome with material findings	No deviation	Not applicable

4. Transfer Payments

4.1 Transfer payments to public entities

In this reporting period, the GPL fulfilled the requirements of Section 236 of the South African Constitution which promotes multi-party democracy and, in particular, funding of political parties participating in the provincial legislatures on an equitable and proportional basis.

Thus, the transfer payments for political party funding and constituency allowances are paid to political parties that are represented in the GPL. The main objective of the payment of a constituency allowance, on the one hand, is to enable parties represented in the GPL to establish and maintain infrastructure to serve the interests of their constituents. The intent of the political party

funding, on the other hand, is to allow each party represented in the GPL to establish and maintain own administrative infrastructure within the GPL precinct, to enable Members to obtain the required training to fulfil their constitutional mandate as well as to enable them to attend party political meetings in the interest of the GPL. The transfers are regulated in terms of section 35(1) of the Financial Management of Parliament and Provincial Legislatures Act (Act No. 10 of 2009) and Gauteng Political Party Funding Act, which guide the spending of the transfer payments. In this reporting period, a total amount of R121 572 000 was transferred to the political parties as reflected in the table below:

Name of Political Party	Political Party Funding	Constituency Funding	Total Amount Transferred
African National Congress	38 859	22 345	61 204
Democratic Alliance	23 706	12 848	36 555
Economic Freedom Fighters	10 217	4 469	14 686
Inkatha Freedom Party	3 936	559	4 494
Freedom Front Plus	4 074	559	4 633
TOTAL	80 792	40 780	121 572



5. Donor Funds

5.1 Donor Funds Received

The GPL received a total of R378 000 donations from various institutions in support of the GPL activities. The donation was received in cash through the transfer of funds into the GPL's bank account. The details of the donations are as follows:

Name of Organisation	Nature of Donation/Sponsorship	Amount
Standard Bank of South Africa	4 th Vita Basadi Awards cash prizes	R 28 000
Standard Bank of South Africa	State of the Province Address	R 200 000
Standard Bank of South Africa	Charity Golf Day	R 80 000
Data Centrix	Charity Golf Day	R 15 000
Tiso Black Star Group	Charity Golf Day	R 15 000
Lazi Engineers	Charity Golf Day	R 40 000
Total		R378 000

6. Capital Investment

6.1 Capital investment, maintenance and asset management plan

The safeguarding of GPL's assets remained a priority as prescribed by FMPPLA. All assets within the GPL were physically verified through stocktake exercises conducted at mid- and end-year. The legislature maintained and updated an asset register that adheres to the requirements of relevant prescripts. The asset register is updated immediately with acquisitions, disposals and any other movements of assets.

In line with the GPL strategy, replacing and disposing of old and redundant equipment that no longer support effective GPL service delivery was undertaken. All assets that could not be cost-effectively repaired or refurbished were disposed of. All stolen and lost assets were dealt with in line with the GPL policy on the management of losses. Furthermore, all losses due to theft were investigated and recommendations were made on whether to recover the loss or to write it off. The number of losses due to theft was relatively low. All losses were removed from the asset register after approval. All new assets were updated by barcoding them before distribution, and asset locations were also updated accordingly. Asset verification was conducted to ensure that all changes in the asset register are updated.

Continued efforts were made to strengthen the overall control of assets, and compliance was monitored on an ongoing basis. The table below provides a list of all infrastructure-related projects undertaken during this reporting period. These are mainly maintenance and repairs due to the ageing/normal wear and tear of infrastructure. In the period under review, Phase 1 of the Rehabilitation of Plumbing and Drainage project in the Main Building was completed in March 2019 after a year of work. Drainage issues in the Main Building, over many years, had resulted in water leaks to the lower floors. Through this project, waterproofing was conducted following a clearing of previous structures. *Infrastructure projects that are currently in progress and will be concluded in the next reporting period include:*

- » Rehabilitation of Plumbing and Drainage Project Phase 2 – Main Building.
- » Waterproofing and roofing remedial works.
- » Heating, Ventilation and Air Conditioning upgrade to the Main Building.
- » Completion of Installation of Air Conditioning Project, City Hall.





PART [C]

“Following up on our commitments,
making your future work better”



PUBLIC PARTICIPATION



OVERSIGHT



LAW-MAKING



CO-OPERATIVE GOVERNANCE



GOVERNANCE



GOVERNANCE



“There will be life after Mandela. On my last day I want to know that those who remain behind will say: ‘The man who lies here has done his duty for his country and his people.’”
- Nelson Rolihlahla Mandela.

Hon. Nomantu Nkomo-Ralehoko
Deputy Speaker

1. Introduction

The GPL’s Corporate Governance Framework embodies the principles of the King IV reports, where applicable, FMPPLA as well as structures, processes and systems that enable the Legislature to maintain the highest standards of good governance. Governance of the GPL is two-pronged, with the Legislature Services Board (LSB) as headed by the Executive Authority being held accountable by the Oversight Committee on the Premier’s Office and the Legislature (OCPOL) while the Accounting Officer is held responsible by the LSB.

The LSB, as supported by management, is responsible for ensuring high governance standards in the GPL. The legislature continuously strives to deliver on its key mandates and strategic objectives by entrenching risk management and internal controls in its day-

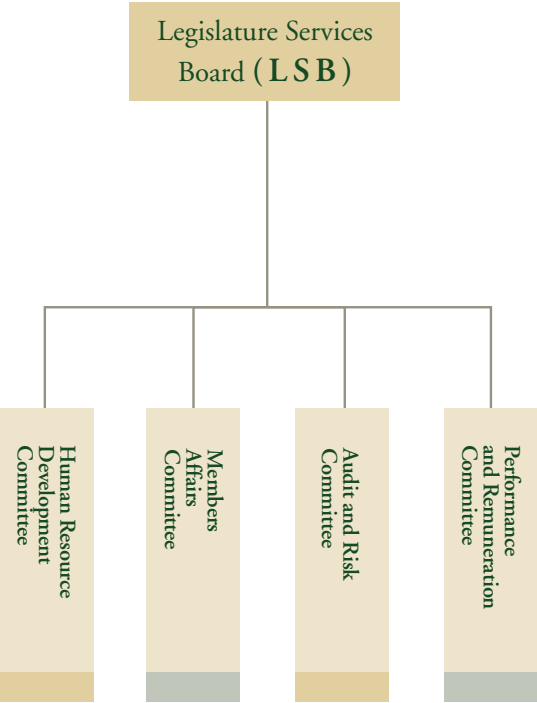
to-day operations. It is fully committed to integrity, transparency, fairness and accountability in all its operations.

2. Corporate governance statement: the Gauteng Legislature Services Board (LSB)

The LSB was established in terms of the Legislature Services Act (Act No. 5 of 1996), the Public Finance Management Act (Act No. 1 of 1999), the recommendations of the King IV, and the Protocol on Corporate Governance for Public Entities. The members of the LSB are appointed in terms of section (4)1 of the Legislature Services Act and comprises the Speaker of the Legislature, who acts as Chairperson of the Board; the Deputy Speaker, the Chairperson of Committees, the Leader of the DA, the Leader

of IFP, the Leader of the ANC, two (2) independent members nominated as per the recommendation of the Governance Review Audit, the Chairperson of the Audit and Risk Committee, and the Secretary to the Legislature. To ensure its efficient operation and compliance with best practices and legislative requirements, the Board has four (4) committees as depicted below. The Board has appointed a Legislative Board Secretary (LSB Secretary) to assist the organisation in carrying out its mandate.

3. The governance structure of the LSB



3.1 Compliance to financial management of parliament & provincial legislatures act, 2014

In executing its mandate, the Board has an obligation to formulate strategic, annual and operational plans; to allocate resources for the implementation of those plans and to monitor and report the results. The Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), 2009, provides guidance with respect to the preparation of the strategic and annual performance plans and on reporting on the achievement of those plans.

The purpose of the Act recognises that parliaments and legislatures must be governed by the democratic values and principles enshrined in the Constitution to promote and maintain a high standard of professional ethics in the financial management; to promote efficient, economic, and effective use of resources allocated to parliaments; and to ensure the transparent, accountable and sound management of the revenue, expenditure, assets and liabilities of parliaments and legislatures.

3.2 The role and functions of the LSB

The LSB is ultimately responsible and accountable for the affairs and performance of the GPL and for ensuring the sustainability of the institution into the future. *The Board's role includes, but not limited to, the following:*

- » to ensure that appropriate systems and procedures are in place to enable the GPL to conduct its business in an honest, ethical and responsible manner;
- » to ensure that effective audit, risk management and compliance measures are in place;
- » to review, assess and guide management in setting group strategy and business plans;
- » to review and approve strategic plans, policies and operating budgets as well as to monitor financial performance and expenditure; and
- » to ensure accurate, concise, transparent and timely reporting.

The LSB executes its responsibility by delegating authority to the LSB committees and management. The functions of the LSB committees are described comprehensively in the charters of these committees. Powers delegated to management are prescriptive and controlled through delegations of authority to include only limited financial decision-making capacity without prior approval by the LSB.

3.3 Composition of the Legislature Services Board

The list of Board members and their overall participation in the GPL business in the year under review:



L N Mkgwe

Designation: Non-Executive Member and Chairperson
Date of Appointment: 22/07/2014
Meeting Attendance: 6/6



Mike Madlala

Designation: Non-Executive Member
Date of Appointment: 20/03/2018
Meeting Attendance: 4/6



Jack Bloom

Designation: Non-Executive Member
Date of Appointment: 22/07/2014
Meeting Attendance: 6/6



Nomantu Nkomo-Ralehoko

Designation: Non-Executive Member
Date of Appointment: 22/07/2014
Meeting Attendance: 5/6



Bonginkosi Dhlamini

Designation: Non-Executive Member
Date of Appointment: 22/07/2014
Meeting Attendance: 3/6



Brian Hlongwa

Designation: Non-Executive Member
Date of Appointment: 15/06/2018
Meeting Attendance: 2/6
Date of Resignation: 30/06/2018



Nandipha Madiba

Designation: Independent Non-Executive Member
Date of Appointment: 22/07/2015
Meeting Attendance: 5/6



Sandile Luthuli

Designation: Independent Non-Executive Member
Date of Appointment: 01/08/2015
Meeting Attendance: 6/6



Hlaleleni Dlepu

Designation: Non-Executive Member
Date of Appointment: 01/08/2015
Meeting Attendance: 4/6



Peter Skosana

Designation: Secretary to the Legislature/ Executive Directors
Date of Appointment: 22/07/2014
Meeting Attendance: 2/6⁴

⁴ The Acting Secretary was appointed and participated in the respective meeting, thus 6/6 meetings

The Chairperson is appointed in terms of Section 4 of the Legislature Services Act. **The role of the LSB Chairperson is:**

- to lead the LSB and provide overall leadership and strategic direction,
- to oversee the adoption of appropriate governance and financial management rules and principles,
- to manage oversight over the implementation of the GPL Strategy,
- to ensure that any potential conflicts of interest are managed properly and
- to ensure that the LSB meets the goals for each financial year.

The Chairperson works closely with the office of the Board Secretary which provides both administrative and professional support from a legal and governance perspective.

3.4 Composition of the LSB committees and meeting attendance

	Names Of Members	Date of Appointment	Date of Resignation	Attendance of Meetings
10 Members	Performance And Remuneration Committee			
	Mr Sandile Luthuli (Chairperson)	15/08/2015	N/A	5/5
	Hon Lentheng Mekgwe	15/06/2015	N/A	3/5
	Hon Nomantu Nkomo-Ralehoko	15/06/2015	N/A	4/5
	Hon Mike Madlala	15/06/2014	N/A	3/5
	Hon Joyce Pekane	15/06/2014	N/A	3/5
	Hon Thokozile Magagula	15/06/2014	N/A	3/5
	Hon Mpapa Kanyane	15/06/2018	N/A	4/5
	Ms Given Sibiya	15/08/2015	N/A	5/5
	Mr Zola Fihlani	15/08/2015	N/A	4/5
	Mr Peter Skosana		N/A	2/5 ⁵
08 Members	Human Resource Development Committee			
	Hon Nomantu Nkomo-Ralehoko (Chairperson)	15/06/2014	N/A	3/3
	Hon Mike Madlala	15/06/2014	N/A	2/3
	Hon Siphwe Mgcina	15/06/2014	N/A	0/3
	Hon Phillip van Staden	15/06/2014	N/A	1/3
	Hon Joyce Pekane	15/06/2014	N/A	1/3
	Dr Siphelele Zulu	15/08/2014	N/A	3/3
	Mr Tshokolo Nong	15/08/2014	N/A	1/3
	Mr Peter Skosana		N/A	3/3
16 Members	Members' Affairs Committee			
	Hon Lentheng Mekgwe (Chairperson)	15/06/2014	N/A	1/2
	Hon Nomantu Nkomo-Ralehoko	15/06/2014	N/A	2/2
	Hon Mike Madlala	15/06/2014	N/A	1/2
	Hon Mpapa Kanyane	15/06/2014	N/A	1/2
	Hon Brian Hlongwa	15/06/2014	30/10/2018	2/2
	Hon Sochayile Khanyile	15/06/2014	N/A	1/2
	Hon Thokozile Magagula	15/06/2014	N/A	1/2
	Hon Maggie Tlou	15/06/2014	N/A	1/2
	Hon Pinkie Busisiwe Mncube	15/06/2014	N/A	1/2
	Hon Mandisa Mashego	15/06/2014	N/A	1/2
	Hon Phillip van Staden	15/06/2014	N/A	1/2
	Hon Mike Moriarty	15/06/2014	N/A	0/2
	Hon Fred Nel	15/06/2014	N/A	1/2
	Hon Refiloe Ntsekhe	15/06/2014	N/A	1/2
	Hon Bonginkosi Dhlamini	15/06/2014	N/A	1/2
	Mr Peter Skosana			1/2

⁵ The Acting Secretary was appointed and participated in the respective meeting, thus 6/6 meetings

	Names Of Members	Date of Appointment	Date of Resignation	Attendance of Meetings
3 Members	Audit and Risk Committee			
	Ms Nandipha Madiba (Chairperson)	1/12/2016	N/A	8/8
	Mr Roy Mnisi	2/06/2017	N/A	8/8
	Mr Victor Nondabula	2/06/2017	N/A	8/8

3.5 Appointment And Induction of LSB Members

The Board requires individuals with the necessary competence to fulfil its strategic role as the custodian of the institution's good governance. In exercising its duties, the Board is expected to act with due diligence and skill, and members are required to have a sound understanding of the business of the legislature. Directors are appointed based on their proven record of accomplishment in public and private sector leadership roles and a wide range of expertise gained in different fields. In addition, appointments to the Board reflect provincial and national demographics.

In moving with the spirit and objects of good governance, the Performance and Remuneration Committee as well as the Audit and Risk Committee were led by independent chairpersons in line with the King IV recommendations.

3.6 Charters

Each committee is governed by its own charter which is its terms of reference. These charters flow from the LSB Charter and they determine the mandate of each committee. Meetings of the LSB and its committees are on an annual schedule and the LSB is required to conduct a minimum of four meetings per year. The committees make recommendations to the LSB. The LSB is the final decision-making authority responsible for the development of internal policies and monitoring of strategic decisions of the Board.

3.7 Statement of commitment to KING IV

The Board recognises the need to conduct the organisation in accordance with the principles of the King IV Code on Corporate Practices and Conduct. These principles include discipline, independence, responsibility, fairness, social responsibility, transparency

and the accountability of directors to all stakeholders. A number of these principles are entrenched in the institution's internal controls and policy procedures governing corporate conduct. The Board is satisfied that every effort has been made in the financial year, which ended on 31 March 2019, to comply in all material aspects with the King IV Report.

3.8 Good corporate governance

In exercising good governance, the LSB has led the administration towards effective leadership based on an ethical foundation. Compliance, as any other business activity, took place within the context of strong leadership and sound governance principles.

The Board has strived to ensure its alignment with FMPPLA and King Reports on principles of good governance and improved accountability. The LSB ensures that the GPL complies with all applicable laws and policies and adheres to codes and standards. All these compliance responsibilities are very onerous, especially where the state is involved. This is exacerbated by the fact that different single provisions in laws, policies, codes and standards cannot be read in isolation, but need to be interpreted in the context of the entire scope of compliance applicable to the GPL.

3.9 Fees for non-executive members

Only external members (Non-Executive Directors) receive a fee for their contribution as members of the LSB and its respective committees. The fees were reviewed in accordance with the FMPPLA during the financial period.

3.10 Evaluation of the LSB

The LSB carries out a self-evaluation process, on an annual basis, facilitated by office of the Board. The evaluation focuses on whether the LSB is fulfilling its mandate as contained in the LSB Charter and

examines the effectiveness of the LSB. The conclusions from the evaluation are reviewed by the LSB and, where appropriate, best practice recommendations are implemented.

3.11 Delegation of authority

The Secretary to the Legislature (Accounting Officer) has the LSB's delegated authority for the management of the GPL and functions with the assistance of the Executive Directors. The delegated authority imposes certain restrictions and conditions appropriate for the effective exercise of such delegated powers. However, the LSB has not delegated its responsibility and accountability.

3.12 Technology governance

Technology governance is vital to striking the right balance between achieving value realisation from technology and addressing the risks associated with technology. In line with the King IV Report and Department of Public Service and Administration's Corporate Governance of ICT Framework (DPSA CGICTF), technology governance is integrated into the governance structures, policies and procedures of the institution. In the GPL, technology forms part of the strategic and business processes and is managed by the Information Technology Unit. A well-defined technology strategy, which is clearly mapped to the IT governance principles of King IV and DPSA CGICTF, has been adopted.

Each framework element is supported by evidence, including aligning technology strategy and business needs, delivering value and managing performance, information security, information management, integrated risk management, ethical use of ICT, business continuity management and compliance.

4. Risk Management

The GPL recognises risk management as an integral part of responsible management and has, therefore, continued to implement the adopted Risk Management Policy and Strategy during the period under review. The strategy is aligned to the COSO (Committees of Sponsoring Organisations of the Treadway Commission) framework. The objective of this policy is to identify, manage, control and respond

to business, strategic and operational risks that may adversely affect the performance of the GPL.

An annual strategic risk assessment informed by the strategic objectives of the GPL was conducted during April 2018 and presented to the Audit and Risk Committee accordingly. The Risk Management Committee met on a quarterly basis to consider progress regarding the mitigation of the identified risks. The strategic risks and associated action plans were communicated, on a quarterly basis, to the Legislature Services Board through the Chairperson of the Audit and Risk Committee.

The operational risk assessments were also conducted at the subprogramme level during the reporting period. The identified risks and their mitigating controls were continuously tracked, and progress on the implementation of action plans in the risk registers were regularly monitored and reported to the oversight structures. The GPL implemented 'Year 5' of the adopted Five-Year Risk Management Plan and progress was periodically monitored and reported to the oversight structures.

5. Fraud and corruption

The GPL continued to implement the adopted Fraud Risk Management Policy and has also developed a Fraud Risk Management Plan during the reporting period. Progress on the implementation of the Fraud Risk Management Plan was monitored throughout the period and progress was reported, on a quarterly basis, to the oversight structures, which include the Risk Management Committee, Audit and Risk Committee and the Board.

The Anti-Fraud and Corruption Hotline, which is administered by the Public Service Commission (PSC), remained operational during the period under review. Members, staff, service providers and the public are continuously encouraged to use the hotline number to report possible or alleged incidents of fraud or corruption. Whistle blowers have the option to remain anonymous and are protected in terms of the Protected Disclosures Act, No. 26 of 2000. There were no cases reported through the Anti-fraud and Corruption hotline. However, if cases get reported, these would be forwarded to the GPL's Accounting Officer for further investigation.

6. Code of Conduct

The Gauteng Provincial Legislature (GPL) continued to implement the Code of Conduct which outlines the minimum ethical standards of behaviour that South Africans expect of elected representatives, including upholding propriety, integrity and ethical values in their conduct. The Code of Conduct aims to foster a culture of a high degree of ethical conduct by Members of the Gauteng Provincial Legislature (MPLs) and to ensure that Members do not place themselves in positions that conflict with their responsibilities as public representatives. In terms of Part 4 (20) (3) of the Code, Members are required to disclose their registrable interests within 30 days after the Official Opening of the Legislature or after being appointed as Members. Accordingly, the deadline for submission was 18 March 2019 and all 73 Members declared, although five declarations were after the deadline.

On the other hand, the approved GPL Code of Conduct and Ethics Framework for employees is continuously used to ensure that senior managers and GPL staff declare their financial interests and execute their duties in accordance with the ethical and professional standards of the GPL. The framework is also used to maintain the independence of the GPL in business matters and that decisions are not jeopardised because of unethical relationships with service providers and/or internal/external stakeholders. Likewise, the GPL staff submitted their declaration forms utilising the developed electronic system (e-Disclosure). This system supports the completion of an electronic disclosure template which enhances the monitoring and evaluation of employee disclosures. In backing the e-disclosure process, awareness communication, technical support and training sessions for staff were implemented.

7. Health, safety and environmental issues

The GPL takes health and safety as the key priorities to Members, employees, visitors and contractors due to the impact they have on the lives of people. Health, safety and environmental issues can ultimately affect the reputation of the Gauteng Provincial Legislature if

left unattended. The legislature complies with all relevant legislation, especially the Occupational Health and Safety (OHS) Act, No. 85 of 1993. The Act provides the guidance on how the GPL as an employer can provide conducive and safe working environment and work that is safe to the employees and people doing business with it.

Most of the interventions implemented in this reporting period were aimed at increasing the minimum level of compliance with the provision of Occupational Health and Safety Act, No. 85 of 1993, and its regulations. This Act provides a legislative framework to promote, stimulate and encourage high standards of health and safety at work. This includes monitoring risks in the workplace, addressing reported incidents and raising awareness and responsibility among employees around serious diseases.

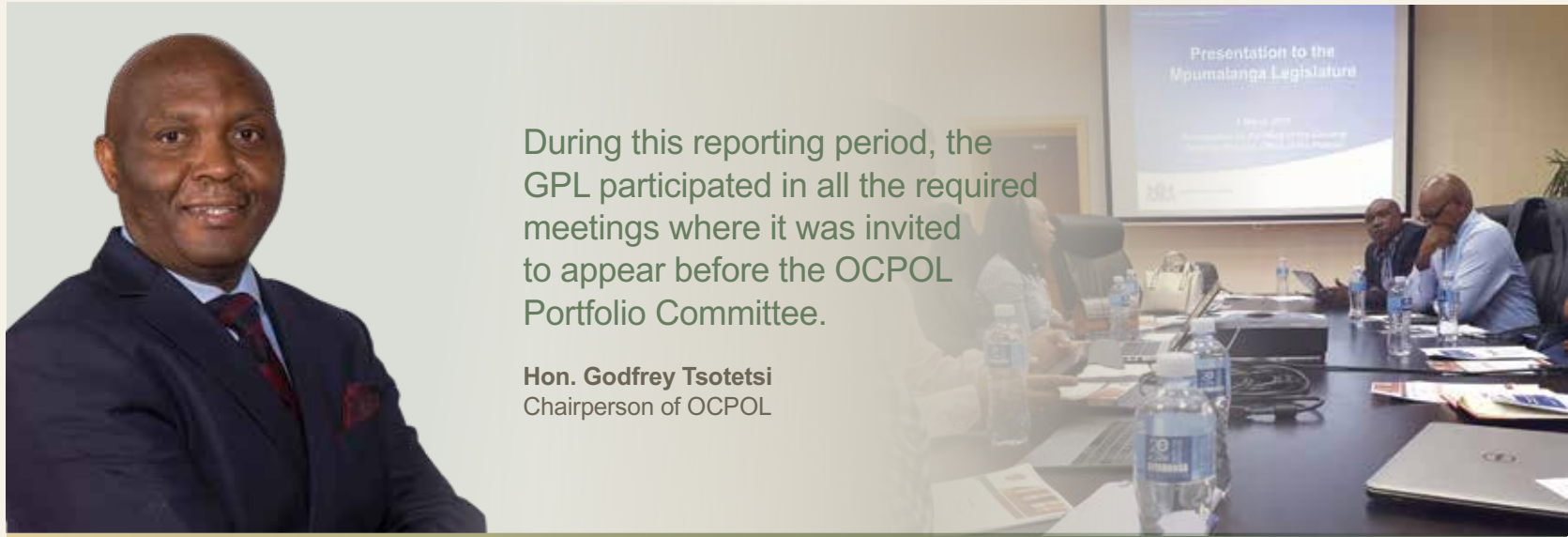
The GPL provides a safe and secure working environment, with access control points to the building managed by both the SAPS and private security. Efforts have been made and maintained to ensure user-friendly access to the building for people with disabilities. There is constant effort made to ensure that safe and suitable work equipment and systems of work have limited risks.

In line with the GPL's Safety Policy, inspections were conducted monthly and quarterly by the Safety Officer and Health and Safety Representatives in both the Main and Sage Buildings to manage and control risks in connection with the use, handling, storage and transport of articles and substances. Incidents and accidents are investigated as and when they occur, and remedial actions were recommended to the unit to facilitate implementation.

Furthermore, a total of 19 members of the management team were trained on the Occupational Health and Safety Act and responsibilities of management. Four (4) members of the firefighting team were trained on emergency preparedness. An annual fire awareness assessment was conducted, and the findings thereof were presented to the Risk Management Committee. A total of nine (9) injuries were reported. No fatal work-related injuries occurred in this period.

Overall, the Health and Safety team deliberates and makes recommendations on issues related to health and safety in the GPL. This team continues to provide advice and guidance to managers and staff to ensure they can meet the needs of the GPL in its compliance with health and safety legislation.

8. Oversight Committee on the Premier's Office and The Legislature (OCPOL)



During this reporting period, the GPL participated in all the required meetings where it was invited to appear before the OCPOL Portfolio Committee.

Hon. Godfrey Tsotetsi
Chairperson of OCPOL

Subject	Details	Responses by the GPL	Resolved
First Quarterly Performance report presentation/briefing to the committee	<p>Questions emanating from the analysis of the First Quarterly Performance Report of the GPL for the 2018/2019 FY focused on:</p> <ul style="list-style-type: none"> » underspending on the budget attributed to unfilled vacancies and non-implementation of salary increases; » detailed information on where the vacancies are and how these affect service delivery by the GPL; » the reason for the reported overspending by the Leadership and Governance Programme, including an amount spent on unfunded emerging priorities; and » details on the areas where the GPL spent funds on consultants, a breakdown of service providers used in the quarter. 	The GPL responded to the request, provided plans to expedite the filling of vacant posts, and reasons for Programme 1's overspending and use of consultants.	YES
Second Quarterly Performance Report presentation/briefing to the committee	<p>Questions emanating from the analysis of the Second Quarter Report for the 2018/2019 FY focused on:</p> <ul style="list-style-type: none"> » intervention mechanism implemented to expedite the filling of funded vacant posts; » intervention mechanism implemented to avoid delays in the implementation of annual cost-of-living adjustment and delays in implementation of the 2017/2018 IPMS; » measures it has put in place to ensure that the IT Governance Framework and strategic plan are reviewed regularly as scheduled; » reasons for underspending on compensation of employees and capital asset allocation; » reason for the reported overspending by the Leadership and Governance Programme on unfunded international committee travel; » overspending under the Office of the Secretary Programme is reported as having resulted from an unprotected payment; » disaggregation by demographics of the total number of people who participated in the GPL business; » turnaround strategy on closing petitions referred to the GPL; and » challenges experienced in meeting the targets set on percentage spend on Township Economies and cooperatives. 	The GPL responded to the committee Members' questions in the meeting and a detailed reply was submitted upon the committee's request for further information.	YES

Subject	Details	Responses by the GPL	Resolved
Requests for various presentations	Requests for presentations on the following: <ul style="list-style-type: none"> » Progress on space optimisation project. » Standardisation of oversight accountability and reporting in Gauteng » Progress on Re-engineering of Public Participation Project » Effectiveness of sector parliaments 	Presentations were submitted, and the GPL availed Senior Management to present these to the committee	Yes
Fourth Quarterly Performance Report presentation/briefing to the committee	Questions emanating from the analysis of the 2018/2019 Fourth Quarter Performance Report focused on: <ul style="list-style-type: none"> » protocol office experiencing bottlenecks in terms of processing study tours particularly on the African Leg; » potential bottlenecks experienced by the protocol office in processing African Leg study tours for committees and how these are resolved; 	Responses were provided to the committee on the bottlenecks experienced and mitigating actions taken to facilitate the processing of the African Leg of Committee Study Tours.	Yes
Budget Vote	Questions emanating from Budget Vote 2 focused on the following: Programme 1 recorded a 29% decrease in budget and what measures are put in place to ensure services rendered by the programme are not compromised. <ul style="list-style-type: none"> » Programme 2 to indicate what type of support is provided to the Multi-Party Women's Caucus. » Programme 3 to explain the discrepancy between the number of targets in the APP and the budget allocation. » Programme 5 to provide reasons for a percentage decline in the budget for the Communications and Parliamentary Business subprogrammes. 	The GPL responded to the committee Members' questions in the meeting and a detailed reply was submitted upon the committee's request for further information.	Yes

9. SCOPA Resolutions

Type of Resolution	Details	Responses by the GPL	Resolved
The report of the Auditor-General to the Gauteng Provincial Legislature on the Financial Statements and Performance Information of the Gauteng Provincial Legislature for the year ended 31 March 2019	Why were there no provisions made in the financial statements of the GPL for possible liabilities that may arise from the lawsuits?	The GPL responded to the committee's resolutions, providing detailed information as per the matter in question.	Yes
	Why did management not ensure that the annual performance report was adequately reviewed before submission for audit?	The GPL responded to the committee's resolutions, providing detailed information as per the matter in question.	Yes
	Provide the committee with the portfolio of evidence of the disciplinary action taken against officials responsible for the non-compliance with reviewing the annual performance report before submission for audit.	The GPL responded to the committee's resolutions, providing detailed information as per the matter in question.	Yes
	Why were there no effective steps taken to prevent irregular expenditure as required by Section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation 9.1.1?	The steps taken to prevent irregular expenditure in line with FMPPA were provided to the committee.	Yes
	Provide the detailed transactions of each instance of irregular expenditure including the name of the service provider and the service provided.	Detailed transactions were provided on each instance of irregular expenditure.	Yes
	Does the GPL have a scheduled maintenance plan for ICT infrastructure?	A maintenance plan was provided.	Yes
	To mitigate the high risk to the GPL, provide the committee with a progress report on the implementation of the disaster recovery plan.	A progress report on the implementation of the disaster recovery plan to mitigate the risk to the GPL was provided.	Yes

10. Prior modifications to the audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/ resolving the matter
N/A, Clean audit opinion achieved	2012/2013	N/A
N/A, Clean audit opinion achieved	2013/2014	N/A
N/A, Clean audit opinion achieved	2014/2015	N/A
N/A, Clean audit opinion achieved	2015/2016	N/A
N/A, Clean audit opinion achieved	2016/2017	N/A
N/A, Clean audit opinion achieved	2017/2018	N/A
Unqualified with findings on non-compliance relating to material adjustments and occurrence of irregular expenditure	2018/2019	Progress in line with audit strategy

11. Internal Audit And Audit Committee

In the period under review, the internal audit function was outsourced to an independent service provider, BDO PS Advisory Services, that was appointed for a three-year period and it continues to operate in line with the approved Terms of Reference and associated service level agreement. The service is based on the requirements of the FMPPLA and Standards for the Professional Practice of Internal Audit of the Institute of Internal Auditors.

The Audit Risk Committee approved the Internal Audit Plan for the year under review. The adequacy and effectiveness reviews on the internal control environment, risk management and governance processes were conducted accordingly. The internal audit function provided an overall assessment of the control environment to the ARC as listed below.

The Audit and Risk Committee met eight (8) times during the reporting period, i.e. four (4) standard meetings and four special meetings to consider the annual financial statements, the annual report and the audit report from the Auditor-General.

The table below discloses relevant information on the Audit Committee Members:

Auditable Area Status = Completed 	1 Financial Management	2 Supply Chain Management	3 Asset Management	4 Human Resource Management
	5 ICT reviews	6 Communications & PPP review	7 Follow-up review	8 Audit of Predetermined Objectives(quarterly)



12. Audit and Risk Committee Report

1. Introduction

The Audit & Risk Committee (ARC) is pleased to present its report for the period ended 31 March 2019. The report has been prepared in line with the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA).

2. Committee responsibility

The Audit & Risk Committee reports that it has complied with its responsibilities arising from Section 48 of FMPPLA.

The Audit & Risk Committee also reports that it has regulated its affairs in compliance with its Charter and has discharged all its responsibilities as contained therein.

3. The effectiveness of internal control

The system of internal control applied by the Gauteng Legislature over financial systems and risk management is generally effective, efficient and transparent. The Internal Auditors provide the Audit & Risk Committee and Management with reasonable assurance as to whether the internal controls remain adequate, appropriate and effective. This is achieved by means of the risk management process, implementation of the internal audit plan as well as the identification of corrective actions and recommended enhancements to the controls and processes.

The internal audit function provided an objective and independent assurance to management and the ARC on the adequacy and effectiveness of controls within the GPL. The reported findings were monitored through the tracking register and reported to the RMC, ARC and ultimately to the Legislature Services Board.

There are some areas highlighted in the various reports of the Auditor General and by the Internal Auditors during the year, where internal controls require improvement and some corrective action. The Audit & Risk Committee has not only been instrumental in requesting that corrective actions are taken in

this regard but also in providing guidance on necessary enhancements to these controls and processes that influence GPL's compliance, risk and performance environment as well as responsibilities that GPL has to the external environment that it serves.

4. Effectiveness of Internal audit

The Internal Audit function was outsourced to an independent service provider, BDO PS Advisory Services, who was appointed during the 2018/2019 financial period which operated in line with the approved Terms of Reference and associated service level agreement. The service is based on the requirements of the FMPPLA and Standards for the Professional Practice of Internal Audit of the Institute of Internal Auditors. The ARC approved the Internal Audit Plan for the year under the review. The adequacy and effectiveness reviews on the internal control environment, risk management and governance processes were conducted accordingly.

The Audit & Risk Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the legislature.

From the various reports from Internal Audit, we conclude that the existing control environment provides reasonable assurance that the Legislature's goals and objectives are being achieved.

5. Performance management

The Audit & Risk Committee monitored implementation of the GPL's Annual Performance Plan in order to ultimately achieve the institution's strategic objectives and delivering on its mandate.

6. Risk management

The Audit & Risk Committee considered the quarterly Risk Management Committee Reports highlighting risk identified throughout the institution and management's mitigation processes thereof. The Strategic Risk Register for the 2018/2019 period was considered and recommended to the LSB for adoption where after the committee monitored the implementation of mitigating action plans on a quarterly basis.

The implementation of the Five-Year Risk Management Plan, including the Fraud Risk Management Plan was regularly monitored.

7. In-year management and quarterly reports

The Audit & Risk Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer of GPL during the year under review.

8. Evaluation of Annual Financial Statements

The Audit & Risk Committee has:

- » Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- » Reviewed the Auditor-General of South Africa's management report and management's response thereto;
- » Reviewed changes in accounting policies and practices; and
- » Reviewed the entity's compliance with legal and regulatory provisions.

9. Auditor-General of South Africa

The Audit & Risk Committee has met with the Auditor General of South Africa to ensure that there are no unresolved issues.

The Audit & Risk Committee concurs with and accepts the Auditor-General of South Africa's report on the annual financial statements, and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

10. Conclusion

The Audit & Risk Committee would like to thank the Legislature Services Board, the Secretary to the Legislature and management for their support.

N Madiba CD(SA)

Chairperson: Audit & Risk Committee
31 July 2019



13. Transversal Mainstreaming

13.1 Introduction

The support function of transversal mainstreaming in the Gauteng Legislature is mandated to provide strategic, operational and technical support to the political and administrative structures of the legislature on the mainstreaming of transversal issues. The legislature focuses on issues of gender, race, disability and youth in the mainstreaming of transversal issues. The support function is headed by a Transversal Mainstreaming Focal Point (TMFP). The Focal Point also provides support to the GPL Multi-Party Women’s Caucus (MPWC) and the GPL Commonwealth Women Parliamentarians (CWP).

In the 2018/2019 reporting period, the TMFP supported various initiatives for both the political and administrative wings of the legislature. It also responded to the directives of the MPWC, which is an advocacy structure of the legislature for mainstreaming cross-cutting issues. The mainstreaming of transversal issues is achieved through various intertwined efforts, which include, amongst others, capacity development, women’s empowerment initiatives, stakeholder management and profiling of the MPWC. The ultimate aim of these initiatives is to promote skills development, advocacy and awareness raising.

13.2 Capacity Development

The recommendations of the internal transversal mainstreaming assessment conducted in the 2017/18 financial year included sustaining capacity development through scheduling annual training in the TMFP annual performance plan. *The GPL transversal mainstreaming programme was, therefore, sustained and four (4) sessions were scheduled quarterly as follows:*

- » a one-day awareness session for staff;
- » a two-day awareness and practical session for management and practitioners, and
- » a two-day awareness and practical session for Members.

On the directive of the MPWC, this training was extended to the external participants, which included officials and councilors from municipalities and focal points from the Gauteng Provincial Government (GPG). Overall, 89 participants were trained, where 46 were GPL Members, management and staff, while 43 were the external participants described above.

Participants’ Demographics: 2018/2019 GPL Internal Training on Transversal Mainstreaming

Gender		Race			Age					Disability		Total
F	M	C	I	W	18-35	36-49	50-59	60-69	70+	Y	N	89
68	21	9	3	3	14	56	10	7	1	1	88	

Additionally, the gender-responsive budgeting (GRB) was incorporated into the GPL internal training, where 40 GPL participants were enrolled to a three-week online and a one-week face-to-face training on GRB. This was intended to enhance skills on implementing transformative budget allocation processes. The fifteen (15) participants who proceeded to the face-to-face training developed an action plan, which is currently being implemented.

13.3 Women's Empowerment

As an advocacy structure for mainstreaming transversal issues, the GPL-MPWC is poised to implement women's empowerment programmes within the communities of Gauteng. It is against this background that the MPWC forged partnerships with ABSA and Siyabonga Africa - an NGO that empowers small businesses with business skills - to conduct business capacity development training sessions for a group of 50 small businesswomen from Ekurhuleni, after being approached for assistance by this group.

The training comprised skills development and mentorship components and was conducted through eight training sessions from 28 June 2018 to 14 November 2018. The skills development component involved different elements of business acumen such as the Basics of Entrepreneurship, Basic Principles of Costing, Pricing & Budgeting; Branding, Sales & Marketing, Supply Chain Excellence, Business Gap diagnostic, Tendering, Business Strategy and Business Leadership. Some of the women who were trained testified that from their improved branding and marketing strategies, they have moved from earning from pocket to mouth, to being able to pay their children's university fees and remained with a balance

in the bank. The Transversal Mainstreaming function was instrumental in the negotiations with ABSA and Siyabonga Africa, as well as the coordination and execution of the training sessions.

The Transversal Mainstreaming function also supported the GPL's 4th Annual Vita Basadi Awards, one of the MPWC women's empowerment initiatives. Through these awards, the legislature recognises and celebrates women who conduct community service initiatives from their personal resources. To encourage this community service and promote socioeconomic progress, the legislature awards the winners with privately sponsored cash prizes. These awards also encourage women to be independent and savvy on matters of self-empowerment to foster self-sufficiency.

13.4 Stakeholder Management

The MPWC pioneered a Commonwealth Women Parliamentarians (CWP) online discussion forum (e-Discussion Forum) with the aim to promote ongoing dialogue, advocacy, awareness raising and information sharing in the legislative sector. The forum is interactive, expert-facilitated and serves as a platform for women parliamentarians in the Commonwealth to share information, experiences and projects in

parliamentary practices. While the online discussion forum project commenced in the previous reporting period, it was completed in September 2018. The Transversal Mainstreaming function conceptualised and implemented all stages of the project.

13.5 Profiling of the MPWC

The GPL MPWC was nominated for the national Gender Mainstreaming Awards (GMA) both in 2017 and 2018. Nominations included public and private companies, some of which were listed on the JSE. The MPWC won two recognition awards both in 2017 and 2018 under the categories: Equal Representation & Participation and Mainstreaming Human Rights. The Gender Mainstreaming Awards is an initiative of Business Engage in partnership with the Department of Women, the Human Rights Commission and other prominent partners. They are intended to encourage companies and institutions to mainstream gender and human rights in their daily business practices so as to advance the transformation agenda in South Africa.

The MPWC was also featured in the 2018 *Sunday Times Celebrating Women Magazine*, showcasing the achievements that earned it the awards. The magazine was inserted into 70,000 Sunday Times subscriber copies on Sunday 16 September 2018.

The Department of International Relations and Cooperation distributed copies of *Celebrating Women Magazine* to South African embassies worldwide. The Transversal Mainstreaming function supported this initiative from conceptualisation to the submission of performance evidence for the nomination as well as liaising with the awards' organisers.

In celebrating Women's Month, the Transversal Mainstreaming function hosted the Mama Bertha Gxowa Lecture to honour her for the contribution and sacrifices that she has made in the fight for a free and democratic South Africa. Other initiatives hosted in the communities of Gauteng included activities of the 16 Days of Activism. It also played a pivotal role in hosting a Gauteng Branch Commonwealth Parliamentarians Association (CPA & CWP) roundtable discussions in preparation for the 2018 CPA Conference, which was held in Botswana.





PART [D]

“Following up on our commitments,
making your future work better”



PUBLIC PARTICIPATION



OVERSIGHT



LAW-MAKING



CO-OPERATIVE GOVERNANCE

HUMAN RESOURCE



HUMAN RESOURCE

1. Introduction

The objective of the Human Resource (HR) Unit is to develop and maintain effective human resource management processes which, in turn, will ensure that the legislature is properly staffed as well as ensure that staff members are properly skilled. This, in turn, will contribute towards the GPL being able to provide the necessary support to the Members in discharging their constitutional mandate and achievement of the institutional goal and strategic objectives. All staff members are expected to conduct themselves in a professional and ethical manner within the prescripts of the relevant laws and policies and in line with the values of the legislature. This section will provide an overall view of human resource management within the legislature for the period under review.

2. Legislation that governs GPL human resource management

The legislative framework takes into account, but not limited to, the following pieces of legislation:

- » Skills Development Act (Act No. 97 of 2008)
- » South African Qualifications Authority Act (Act No. 58 of 1995)
- » Employment Equity Act (Act No. 55 of 1998)
- » Basic Conditions of Employment Act (Act No. 75 of 1997)
- » Labour Relations Act (Act No. 66 of 1995)
- » Occupational Health and Safety Act (Act No. 85 of 1993)
- » Unemployment Contributions Act (Act No. 4 of 2002)

- » Compensation for Occupational Injuries and Diseases Act (Act No. 130 of 1993)
- » Remuneration of Public Office Bearers Act (Act No 20 of 1998): Determination of the upper limit of salaries and allowances of Premiers, Members of the Executive Council and Members of the Provincial Legislature.

3. Overview of human resources

Human resources remain relevant in driving the strategic posture and contributes immensely towards delivery standards in line with the GPL's Five-Year Strategy.

The following areas have been singled out as key drivers and are discussed in depth below:

3.1 The status of human resources in the GPL

In this reporting period, the GPL's staff complement remained stable with a vacancy rate of 6%. The institution is currently engaged in reforms to enhance the institutional structure to support the business of the legislature through the Organisational Development Project. This project serves as a catalyst in determining the capacity required to institutional demand on human capital. The review of organogram will indicate the gaps, if there are any, that will form the basis for workforce planning moving forward. Employment Equity at the management level remain above 50% in favour of women, and disability rate remains at 3%.

3.2 Human resource priorities for the year under review and the impact thereof.

One of the key priorities in the year under review was the implementation of the Organisational Development exercise to review the current Organisational Structure to increase effectiveness of the GPL towards successful achievement of organisational goals.



Other priorities involved the delivery of training for the GPL staff. This was met through the training and development budget allocation for courses aimed at improving staff's performance in their daily operations.

In this reporting period, a total of 16 staff policies were reviewed, as listed below:

Policies processed by Policy committee: 2018/2019

Staff Policies

1. Asset Policy
2. Cash and Investment Policy
3. Debt Management Policy
4. Disciplinary Policy
5. Electronic Signature Policy
6. Flexi-Time Policy
7. Funeral Policy for Staff
8. Grievance Policy
9. HR Strategy
10. ICT Policy
11. Inventory Policy
12. Job Evaluation Policy
13. Leave Policy
14. Subsistence and Allowance Policy
15. Supply Chain Management Policy
16. Talent Attraction Policy

Out of this number, the following five (5) policies were adopted by the LSB in the 2018/2019 financial year:

Staff Policies

1. Bursary Policy
2. Grievance Policy
3. Integrated Performance Management System Policy
4. Policy on International Study Tours, Conferences and Inter-Legislature Visits
5. Remuneration and Benefits Policy

3.3 Employee performance management

Performance management in the institution is governed by the Integrated Performance Management System Policy (IPMS), 2017, which came into operation on 1 April 2018. Through this policy framework, performance is monitored through a balanced scorecard, and all employees signed their performance agreements for the year in line with the institutional goals and objectives. These agreements are aligned to the business and/or programme outputs as well as employees' individual job outputs as outlined in their job profile.

Quarterly performance reviews were conducted and submitted to the Human Resource Development Unit, Programme Moderating Committee and Institutional Moderating Committee. The management ensures that performance outputs focus on tangible deliverables for each employee to ensure that the institution is geared towards the delivery of its goals.

3.4 Workforce Planning

The legislature's Workplace Skills Development Plan is reviewed periodically, and this happened at the beginning of this reporting period. In line with the

approved plan, the Human Resource Development Unit drafted an annual training schedule and individual development plans, with corresponding budgets for staff as well as for each business unit.

3.5 Employee Wellness Programme

The legislature has a holistic Employee Wellness Plan and Programme in place, aimed at achieving a balance between work and personal life for Members and staff alike. A service provider was contracted to provide applicable services to the internal stakeholders.

In the year under review, the GPL also participated in the annual 702 Walk the Talk event. The number of participants increased from 110 in the previous year to 130 in this current year. Members and employees continued to have access to the gym facilities and the equipment is fully operational.

Furthermore, the GPL hosted an Employee Wellness Day, where participants had an opportunity to undertake health risk assessments. The participants received services from the chiropractors, dieticians, reflexologists, among others; and also received advice on financial health as well as emotional wellbeing.



4. Human Resource Statistics

4.1 Personnel-related expenditure

The following table summarises the final audited personnel-related expenditure by programme and salary bands. In particular, it provides an indication of the following: amount spent on personnel; and amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 4.1.1 Personnel expenditure by programme

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Professional and Special Services Expenditure	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee
(R'000)						
Leadership and Governance	45 398	21 749	41	0	48%	906
Office of the Secretary to the Legislature	20 214	13 195	9	0	65%	1 015
Corporate Support Service	395 139	109 069	215	0	28%	808
Core Business	258 528	157 013	328	0	61%	714
Office of the CFO	52 692	38 197	139	0	72%	779
Total	771 972	339 223	732	-	44%	780

Table 4.1.2 Personnel costs by salary band

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee
(R'000)				
Leadership (P1 – P3)	2 683	0.79%	1	2 377
Senior Management (P4 – P6)	42 614	12.56%	26	1987
Management (P7 – P8)	94 089	27.74%	85	2315
Professionals and technical workers (P9 – P10)	107 953	31.82%	128	514
Support workers (P11 – P16)	88 321	26.04%	179	437
Intern	3 154	1.05%	20	158
Total	339 222	100%	439	684

Table 4.1.3 Salaries, Overtime, Homeowners' Allowance and Medical Aid by programme

Programme	Salaries		Overtime		Homeowners' Allowances		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
(R'000)								
Leadership and Governance	18 930	87%	119	0.6%	0	0	0	0.00%
Office of the Secretary to the Legislature	10 845	82%	144	1%	0	0	0	0.00%
Corporate Support Service	98 072	90%	1 815	1%	0	0	0	0.00%
Core Business	129 417	82%	5 370	3%	0	0	0	0.00%
Office of the CFO	32 429	85%	238	0.6%	0	0	0	0.00%
Total	289 693	85%	7 686	2%	0	0	0	0.00%

Table 4.1.4 Salaries, Overtime, Homeowners' Allowance and Medical Aid by salary band

Salary Bands	Salaries		Overtime		Homeowners' Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
(R'000)								
Leadership (P1 – P3)	2 375	0%	-	0.00%	-	-	-	-
Senior Management (P4 – P6)	37 506	0%	-	0.00%	-	-	-	-
Management (P7 – P8)	81 412	0%	-	0.00%	-	-	-	-
Professionals and technical workers (P9 – P10)	92 331	0%	3 807	0.00%	-	-	-	-
Support workers (P11 – P16)	73 182	0%	3 089	0.00%	-	-	-	-
Interns/Contracts	2 887	0%	14	0.00%	-	-	-	-
Total	289 693	0%	6 910	0.01%	-	-	-	-

4.2 Employment and Vacancies

The following tables⁶ summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme, salary band and critical occupations. The institution has identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 4.2.1 Employment and vacancies by programme

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	25	23	8%	0
Programme 2	13	11	15%	0
Programme 3	136	129	5%	0
Programme 4	219	212	3%	0
Programme 5	49	41	16%	0
Total	442	416	6%	0
Contractors	8	5	38%	7
Interns	33	4	12%	0
Grand Total	483	425	12%	7

⁶ The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Table 4.2.2 Employment and vacancies by salary band

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Leadership (P1 – P3)	1	1	0%	0
Senior Management (P4 – P6)	27	25	7%	0
Management (P7 – P8)	90	85	6%	0
Professionals and technical workers (P9 – P10)	133	127	5%	0
Support workers (P11 – P16)	191	178	7%	0
Sub-Total	442	416	6%	0
Contracts	8	5	38%	7
Interns	33	4	12%	0
Total	483	425	12%	7

Table 4.2.3 Employment and vacancies by critical occupations

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees additional to the establishment
0	0	0	0	0
Total	0	0	0	0

4.3 Job Evaluation

Within a nationally determined framework, the executing authority may evaluate or re-evaluate any job in his or her organisation. In terms of the regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. It also provides statistics on the number of posts that were upgraded or downgraded.

Table 4.3.1 Job evaluation by salary band

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Leadership (P1 – P3)	1	0	0	0	0	0	0
Senior Management (P4 – P6)	27	0	0	0	0	0	0
Management (P7 – P8)	90	0	0	0	0	0	0
Professionals and technical workers (P9 – P10)	133	0	0	0	0	0	0
Support Workers (P11 – P16)	191	0	0	0	0	0	0
Total	442	0	0	0	0	0	0
Contractors	8	0	0	0	0	0	0
Interns	33	0	0	0	0	0	0
Grand Total	483	0	0	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees were automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 4.3.2 Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with disabilities	0				

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 4.3.3 Employees with salary levels higher than those determined by job evaluation by occupation⁷

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0
0	0	0	0	0
Percentage of total employed	0	0	0	0

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 4.3.4 Profile of employees whose salary levels are higher than those determined by job evaluation

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disabilities	0	0	0	0	0
Total number of employees whose remuneration exceeded the grade determined by job evaluation in 2018/2019					N/A

4.4 Employment Changes

This section provides information on changes in employment over the financial year. The turnover rates provide an indication of trends in the employment profile of the legislature. The following tables provide a summary of turnover rates by salary band and critical occupations.

Table 4.4.1 Annual turnover rates by salary band

Salary Band	Number of employees at the beginning of the period: 1 April 2018 – 31 March 2019	Appointments and transfers into the legislature	Terminations and transfers out of the Legislature	Number of employees as at 31 March 2019	Turnover rate
Leadership (P1 – P3)	1	0	0	1	0%
Senior Management (P4 – P6)	26	0	1	25	0%
Management (P7 – P8)	85	1	1	85	0%
Professionals and technical workers (P9 – P10)	128	4	5	127	5%
Support Workers (P11 – P16)	179	11	5	178	3%
Total	419	16	12	416	3%
Contracts	1	0	0	5	50%
Interns	20	0	14	4	70%
Total	440	18	26	425	6%

⁷ The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

⁸ The total number of terminations is based on the total number of staff inclusive of interns and contracts which is 441

Table 4.4.2 Annual turnover rates by critical occupation

Critical Occupation	Number of employees at the beginning of the period:1 April 2018 – 31 March 2019	Appointments and transfers into the legislature	Terminations and transfers out of the legislature	Turnover rate
0	0	0	0	0
0	0	0	0	0
Total	0	0	0	0

The table below identifies the major reasons why staff left the legislature.

Table 4.4.3 Reasons why staff left the legislature

Termination Type	Number	% of Total Termination
Death	1	3.8%
Resignation	12	46%
Expiry of contract	11	42.3%
Dismissal – operational changes	0	0%
Dismissal – misconduct	0	0%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	2	7.7%
Transfer to other Public Service Departments	0	0%
Other	0	0%
Total	26	
Total number of employees who left as a % of total employment	26	6%

Table 4.4.4 Promotions by critical occupation

Occupation	Employees on 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
0	0	0	0	0	0
Total	0	0	0	0	0

Table 4.4.5 Promotions by salary band

Salary Band	Employees on 1 April 2018	Promotions to another salary level	Salary bandspromotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Leadership (P1 – P3)	1	0	0%	0	0%
Senior Management (P4 – P6)	26	0	0%	0	0%
Management (P7 – P8)	85	0	0%	0	0%
Professionals and technical workers (P9 – P10)	128	1	0.5%	0	0%
Support Workers (P11 – P16)	179	6	3.4%	0	0%
Employees with disabilities					
Total	419	7	4%	0	0%

4.5 Employment Equity

Table 4.5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2019

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (P3)	1	0	0	0	0	0	0	0	1
Senior Management (P4 – P6)	6	1	3	0	13	1	1	0	25
Professionally qualified and experienced specialists and mid-management (P7 – P8)	43	3	1	2	31	2	2	1	85
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (P9 – P10)	60	0	1	2	56	2	2	4	127
Semi-skilled and discretionary decision making (P11 – P16)	48	0	0	0	66	4	3	5	126
Unskilled and defined decision making (intern/contractor)	17	1	0	0	34	0	0	0	52
Total	193	4	5	5	182	12	8	10	416
Employees with disabilities	7	0	0	0	2	0	2	1	12

Age	18 – 34	35 – 49	50 – 59	60 – 69	70+				
Leadership (P1 – P3)	0	0	1	0	0				
Senior Management (P4 – P6)	1	18	6	0	0				
Management (P7 – P8)	8	62	15	0	0				
Professionals and technical workers (P9 – P10)	24	85	18	0	0				
Support workers (P11 – P16)	33	108	34	3	0				
Interns/Contractor	4	4		1	0				
Total	70	277	74	4	0				
Employees with disabilities	0	8	3	1	0				



Table 4.5.2 Recruitment in 2018/2019

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Leadership (P1 – P3)	0	0	0	0	0	0	0	0	0
Senior Management (P4 – P6)	0	0	0	0	0	0	0	0	0
Management (P7 – P8)	0	0	0	0	0	0	0	0	0
Professionals and technical workers (P9 – P10)	6	0	0	0	1	0	0	1	8
Support Workers (P11 – P16)	7	0	0	0	8	0	0	0	15
Total	13	0	0	0	9	0	0	1	23
Employees with disabilities									

Age	18 – 34	35 – 49	50 – 59	60 – 69	70+				
Leadership (P1 – P3)	0	0	0	0	0				
Senior Management (P4 – P6)	0	0	0	0	0				
Management (P7 – P8)	0	0	0	0	0				
Professionals and technical workers (P9 – P10)	5	2	0	1	0				
Support workers (P11 – P16)	8	6	1	0	0				
Employees with disabilities	0	0	0	0	0				
Total	13	8	1	1	0				

Table 4.5.3 Promotions

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Leadership (P1 – P3)	0	0	0	0	0	0	0	0	0
Senior Management (P4 – P6)	0	0	0	0	0	0	0	0	0
Management (P7 – P8)	0	0	0	0	0	0	0	0	0
Professionals and technical workers (P9 – P10)	0	0	0	0	1	0	0	0	1
Support workers (P11 – P16)	3	0	0	0	4	0	0	0	7
Employees with disabilities	0	0	0	0	0	0	0	0	0
Total	3	0	0	0	5	0	0	0	8

Age	18 – 34	35 – 49	50 – 59	60 – 69	70+				
Leadership (P1 – P3)	0	0	0	0	0				
Senior Management (P4 – P6)	0	0	0	0	0				
Management (P7 – P8)	0	0	0	0	0				
Professionals and technical workers (P9 – P10)	0	1	0	0	0				
Support workers (P11 – P16)	4	3	0	0	0				
Employees with disabilities	0	0	0	0	0				
Total	4	4	0	0	0				

Table 4.5.4 Terminations

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Leadership (P1 – P3)	0	0	0	0	0	0	0	0	0
Senior Management (P4 – P6)	0	0	0	0	0	0	0	0	0
Management (P7 – P8)	0	0	0	0	0	0	0	0	0
Professionals and technical workers (P9 – P10)	2	0	0	0	2	1	0	1	6
Support Workers (P11 – P16)	1	0	0	0	3	1	0	0	5
Employees with disabilities	0	0	0	0	0	0	0	0	0
Contractor	0	0	0	1	0	0	0	0	1
Interns	4	0	0	0	10	0	0	0	14
Total	7	0	0	1	15	2	0	1	26

Table 4.5.5 Disciplinary action

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Misconduct	2	0	0	0	0	0	0	0	2



Table 4.5.6 Skills Development: Training provided (Including Members)

Occupational Category	Number of employees as at 1 April 2018	Training provided within the reporting period			
		Tertiary qualifications	Learnerships	Skills Programmes & other short courses	Total
Leadership (P1 – P3)	1	0	0	1	1
Senior Management (P4 – P6)	17	3	0	14	17
Management (P7 – P8)	36	8	0	38	46
Professionals and technical workers (P9 – P10)	186	22	0	81	103
Support Workers (P11 – P16)	179	27	0	100	127
Employees with disabilities	12	1	0	2	3
Interns	21	0	52		52
Total	452	61	52	236	349

Occupational category	Trained Employees								
	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Leadership (P1 – P3)	1	0	0	0	0	0	0	0	1
Senior Management (P4 – P6)	4	0	2	0	6	0	0	0	12
Management (P7 – P8)	18	3	0	1	13	0	0	0	35
Professionals and technical workers (P9 – P10)	27	0	2	1	34	1	2	3	70
Support workers (P11 – P16)	29	1	0	0	46	2	1	3	82
Employees with disabilities	1	0	0	0	0	0	0	1	2
Total	80	4	4	2	99	3	3	7	202

Age	18 – 34	35 – 49	50 – 59	60 – 69	70+				
Leadership (P1 – P3)	0	0	1	0	0	0	0	0	0
Senior Management (P4 – P6)	0	10	2	0	0	0	0	0	0
Management (P7 – P8)	2	22	11	0	0	0	0	0	0
Professionals and technical workers (P9 – P10)	13	50	7	0	0	0	0	0	0
Support workers (P11 – P16)	21	47	14	0	0	0	0	0	0
Employees with disabilities	0	2	0	0	0	0	0	0	0
Total	36	131	35	0	0	0	0	0	0

4.6 Performance Rewards

To encourage good performance, the legislature has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations.

Table 4.6.1 Performance rewards by race, gender, age and disability

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
(R'000)					
African Male	39	39	100.00%	4 216	108
Coloured Male	1	1	100.00%	99	99
Indian Male	1	1	100.00%	120	120
White Male	2	2	100.00%	267	134
African Female	26	26	100.00%	2 806	108
Coloured Female	2	2	100.00%	186	93
Indian Female	2	2	100.00%	222	111
White Female	1	1	100.00%	91	91
Total	74	74	100.00%	8 007	108

Age	18 – 34	35 – 49	50 – 59	60 – 69	70+
Number of beneficiaries	5	75	25	0	0
Number of employees	5	75	25	0	0
% of total within group	3.54%	66.90%	29.56%	0	0
Cost (R'000)	427	8078	3569	0	0
Average cost per employee	85	108	143	0	0
Total	427	8078	3569	0	0

Table 4.6.2 Performance rewards by salary band for personnel below Senior Management Service

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
Lower Skilled (Levels 1-2) Intern	0	0	0.00%	0	0	0%
Skilled (Levels 3-5) P11 - P16	0	0	0.00%	0	0	0%
Highly skilled production (Levels 6-8) P9 - P10	0	0	0.00%	0	0	0%
Highly skilled supervision (Levels 9-12) P7 - P8	74	74	100.00%	8 007	108	10%
Total	74	74	100.00%	8 007	108	9.60%

Table 4.6.3 Performance rewards by critical occupation

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
0	0	0	0	0	0
Total	0	0	0	0	0

Table 4.6.4 Performance-related rewards (cash bonus), by salary band for Senior Management Service

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)+	Total cost as a % of the total personnel expenditure
(R'000)						
Band D	0	0	0%	0	0	0.00%
Band C (P5-P6)	16	16	100%	3012	188	0.63%
Band B (P4)	4	4	100%	869	217	2.81%
Band A(P3)	1	1	100%	187	187	7.87%
Total	21	21	300%	4068	593	11%

4.7 Foreign Workers

The tables below summarise the employment of foreign nationals in the Legislature in terms of salary band and major occupation.

Table 4.7.1 Foreign workers by salary band

Salary Band	31-Mar-18		31-Mar-19		Change	
	Number	% of total	Number	% of total	Number	% Change
Contracts (Intern)	0	0%	0	0%	0	0.00%
Skilled (Levels 3-5) (P11- P16)	1	25%	1	25%	0	0.00%
Highly skilled production (Levels 6-8) (P9 - P10)	0	0%	0	0%	0	0.00%
Highly skilled supervision (Levels 9-12) (P7- P8)	2	50%	2	50%	0	0.00%
Senior management (Levels 13-16) (P3 - P6)	1	25%	1	25%	0	0.00%
Total	4	100%	4	100%	0	0.00%

Table 4.7.2 Foreign workers by major occupation

Major Occupation	01 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0

4.8 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 4.8.1 Sick leave

Salary Band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1 – 2) Interns	40	45%	9	3.88%	4.44	46
Skilled (levels 3 – 5) (P11 – P16)	730	76%	96	41.38%	7.60	1 122
Highly skilled production (levels 6 – 8) (P9 – P10)	273	41%	60	25.86%	4.55	718
Highly skilled supervision (levels 9 – 12) (P7 – P8)	367	59%	51	21.98%	7.20	1 369
Top and senior management (levels 13 – 16) (P3 – P6)	168	13%	9	3.88%	18.67	932
Total	1578	58%	232	100.00%	6.80	4 251
Employees with disabilities	49	31%	7	3.02%	7.00	64

Table 4.8.2 Disability leave (temporary and permanent)

Salary Band	Total days	% Days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Leadership (P1 – P3)	0	0	0	0	0	0
Senior Management (P4 – P6)	0	0	0	0	0	0
Management (P7 – P8)	0	0	0	0	0	0
Professionals and technical workers (P9 – P10)	0	0	0	0	0	0
Support Workers (P11 – P16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 4.8.3 Annual Leave

Salary Band	Total days taken	Number of Employees using annual leave	Average per employee
Contracts (Intern)	106	16	6.63
Skilled (Levels 3-5) (P11-16)	3555	170	20.91
Highly skilled production (Levels 6-8) (P9-10)	2380	122	19.51
Highly skilled supervision (Levels 9-12) (P7 – P8)	1754	85	20.64
Senior management (Levels 13-16) (P3 – P6)	494	26	19.00
Total	8289	419	19.78
Employees with disabilities	208	10	20.80



4.9 HIV/AIDS & Health Promotion Programmes

Table 4.9.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	The HIV/AIDS helpdesk through the Employee Assistance Programme and medical aid available to employees Commemoration World's Aids Day

Table 4.9.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the legislature designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.			N/A
2. Does the legislature have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		4 dedicated employees R2 000 000
3. Has the legislature introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Emotional, physical, legal & financial health. Executive Health Assessment
4. Has the legislature established a committee as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.			N/A
5. Has the legislature reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		Talent Attraction Policy Integrated Performance Management System Policy Remuneration & Benefits Policy Bursary Policy
6. Has the legislature introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		Confidentiality of employees assured in the EAP and Medical Aid offering.
7. Does the legislature encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Communique issued to employees to continue with VCT. Higher participation at HIV & AIDS Commemoration event.
8. Has the legislature developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		EAP cases and nature thereof. Absenteeism due to ill-health. Executive Assessment.

4.10 Labour Relations

Table 4.10.1 Collective agreements

Subject Matter	Date
Recognition Agreement	March 2017
Salary Agreement	Aug 2018

The following table summarises the outcome of disciplinary hearings conducted within the legislature for the year under review.

Table 4.10.2 Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	2	0.5%
Final written warning	0	0%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn	0	0%
Total	0	0.5%

Table 4.10.3 Types of misconduct addressed at disciplinary hearings

Type of misconduct (based on Annexure A)	Number	% of total
Fraud and Corruption	2	0.5%
Total	2	0.5%

Table 4.10.4 Grievances lodged

	Number	% of Total
Number of grievances resolved	1	0.3%
Number of grievances not resolved	2	0.5%
Total number of grievances lodged	3	0.7%

Table 4.10.5 Disputes lodged

	Number	% of Total
Number of disputes upheld	4	0.9%
Number of disputes dismissed	2	0.5%
Total number of disputes lodged	6	1.4%

Table 4.10.6 Strike actions

Total number of persons working days lost	0
Total costs working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 4.10.7 Precautionary suspensions

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	89
Cost (R'000) of suspension	383 003,40

4.11 Injury on duty

The following table provides basic information on injury on duty.

Table 4.11.1 Injury on duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	75%
Temporary Total Disablement	1	25%
Permanent Disablement	0	0
Fatal	0	0
Total	4	100%

Budget Allocation to Transformation Programmes

Table 4.12.1 Institutional HDI Targets

Target	Actual Performance
HDI: 60%	65,33%
Women: 30%	33,13%
Youth: 10%	12,21%
Persons with Disabilities (0,5)	2%



PART [E]

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PUBLIC PARTICIPATION



OVERSIGHT



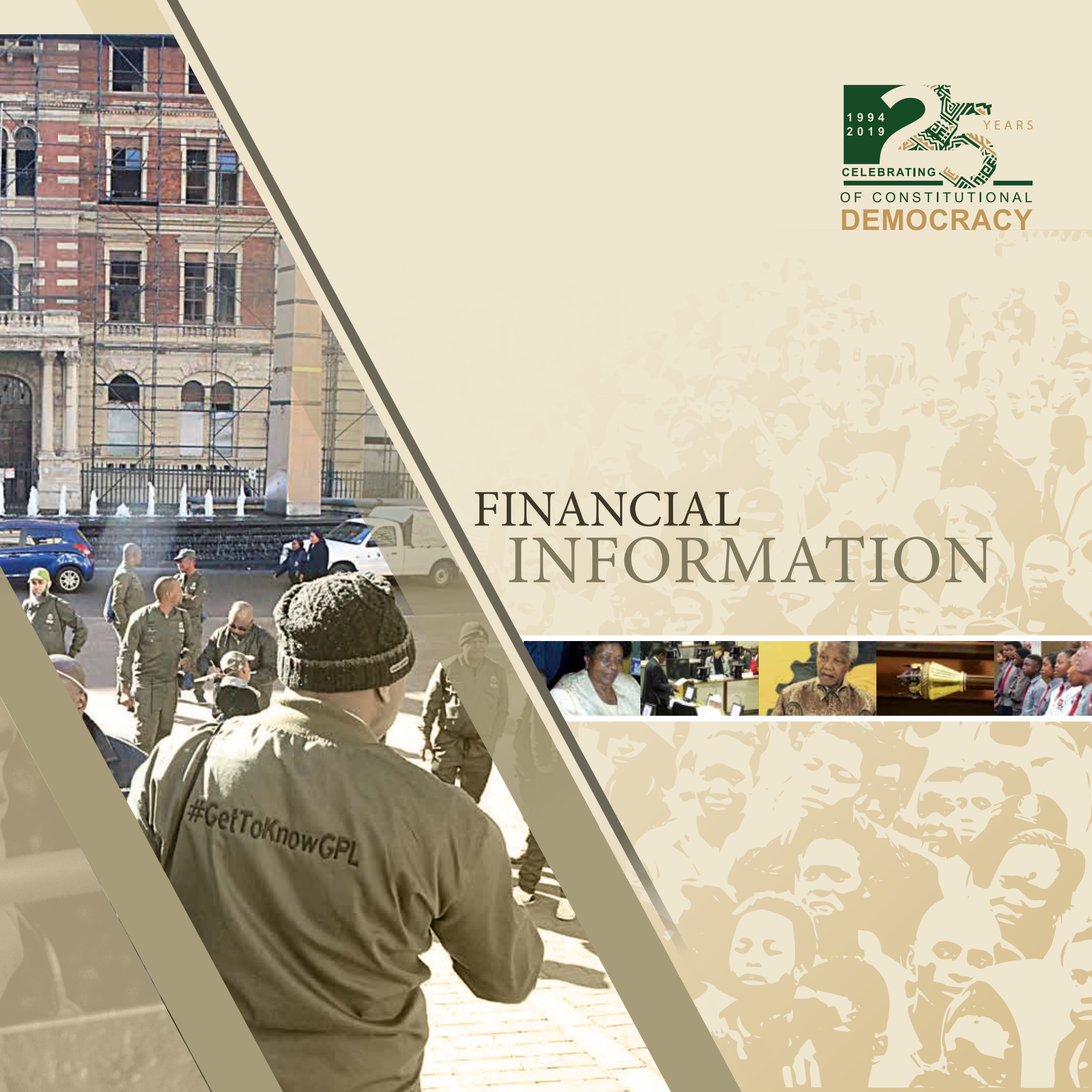
LAW-MAKING



CO-OPERATIVE GOVERNANCE



FINANCIAL INFORMATION



REPORT OF THE ACCOUNTING OFFICER

For the year ended 31 MARCH 2019 to the Executive Authority and Provincial Legislature of the Republic of South Africa

1. General review of the state of financial affairs

During the financial year, adequate financial management systems were in place to support the proper administration of the Gauteng Provincial Legislature (GPL) in an economic and efficient way. The Financial Management of Parliament and Provincial Legislatures Act (FMPPLA) requires the GPL to ensure transparency, accountability and sound management of the revenue, expenditure, assets and liabilities. Financial responsibilities have been assigned at management level with corresponding accountability.

Reporting arrangements have been established at all levels where responsibility for financial management has been assigned. Regular reviews are conducted by senior management of periodic and annual financial reports which indicate financial performance against forecasts. In line with Section 51 of the FMPPLA, financial reports were prepared on a monthly basis and submitted to both internal and external stakeholders within stipulated timeframes. Financial Performance was regularly reported to oversight bodies such as the Oversight Committee on the Premier's Office and the Legislature, the Performance and Remuneration Committee and the Audit & Risk Committee to track progress and effectively monitor implementation of the annual financial plan.

The GPL has adopted supply chain management systems in compliance with the provisions of the FMPPLA. The SCM Directorate monitors the implementation of the SCM policy in line with the regulations which seeks to modernise financial governance and improve accountability and transparency in the GPL's processes.

In an endeavour to improve accountability and transparency in the Bid process, the GPL has implemented the committee system for bids with separate Tender Specification, Tender Evaluation and Tender Adjudication Committees having been set out. The Legislature Adjudication Council met regularly to ensure adherence to SCM principles and to adjudicate on tenders evaluated by the Tender Evaluation Committee.

In improving the supply and demand value chain and ensuring improved facilitation of requisitions, demand plans were prepared to facilitate requisitions for goods and services. All approved requisitions were processed in line with the applicable Supply Chain Management policies. Through the continued application of the preferential procurement strategy, the preference mechanism was applied in the procurement of all goods and services to target especially

Historically Disadvantaged Individuals. In response to the GPL imperative of taking the Legislature to the people, the allocation of business was reprioritised to local and township service providers. The Delegation of Authority was also revised and subsequently approved, to ensure appropriate levels of delegation and to improve operational efficiencies.

The safeguarding of GPL's assets remained a priority, as prescribed by the FMPPLA. All the assets within the GPL were physically verified through stock take exercises which were conducted both at mid-year and year-end. The outcome of physical counts were regularly reconciled to accounting records. Continued efforts were made to strengthen the overall control of assets and monitoring compliance on an ongoing basis.

2. Budgeting process

The GPL continued to improve and implement various initiatives that sought to focus greater attention on the relationship between budgets and performance. Greater emphasis was thus placed on a budget process with the ultimate goal of arriving at a budget that is informed by strategic business objectives. The GPL has adopted a stance of fiscal responsibility by ensuring alignment between objectives and resources. Greater focus was applied on evaluating whether financial plans were consistent, realistic and affordable and to ensure more efficient use of resources in order to maximize the achievement of strategic objectives. Programmes were therefore required to cost their respective operational plans taking into account the priority activities that supported the broader strategic objectives of the institution. Emphasis was also placed on efficiency measures to ensure that the GPL does more with less. The Programmes financial plans were consolidated to produce the overall institutional budget.

For the year under review, the GPL received a total budget allocation of R715.8 million to implement its annual performance plan. The projected expenditure to the end of the financial year identified the need for additional funding in respect of emerging priorities and priority projects. In order to meet the additional funding requirements, the GPL first conducted a reprioritization exercise and further identified potential savings within the allocated budget. The outcome of the exercise determined that no additional funds would be sourced through the adjustment budget. The final budget allocation included an amount of R341.4 million for compensation of employees, R239.7 million for goods and services, R121.6 million for transfers to political parties and R13.2 million for capital assets.

An additional amount of R73.3 million was also received as a statutory appropriation in respect of remuneration for Political Office Bearers. *The final budget allocation after virements is depicted in the table below:*

Budget by programmes:	% of Budget	R'000
Leadership and Governance	6.5%	46 714
Office of the Secretary	3.0%	21 710
Corporate Support	45.8%	328 200
Core Business	36.8%	263 454
Office of the CFO	7.8%	55 746
	100%	715 824
Budget by economic classification:		
Compensation of Employees	47.7%	341 398
Goods and Services	33.5%	239 669
Transfer to Parties	17.0%	121 572
Capital Expenditure	1.8%	13 185
	100%	715 824

3. Expenditure Analysis

In exercising its constitutional obligations, the GPL spent a total of R711.6 million or 99.4 % of the final budget for the year under review. A comparison of the actual expenditure against the budget reflects an under-expenditure of R4.2 million equating to 0.6% of the total allocated budget. The financial results for the year reflect that the GPL has operated relatively within budget resources and has met all its financial obligations for the year under review.

The major cost drivers for goods and services were as follows:

- » Public outreach programmes, re-engineering of public participation and outreach workshops;
- » Activities of the House and Committee sittings;
- » Political Party Funding and Constituency Allowances paid to Political parties represented in the GPL
- » Provision of facilities and support services to Members of the GPL;
- » Hosting of Institutional events;
- » Operational costs such as IT services, business tools, maintenance and repairs, rent & municipal services, security services, transport services, canteen and cleaning services.

An amount R339.2 million was spent on compensation of employees equating to 47.7 % of total expenditure. Expenditure on goods and services amounted to R238.6 million constituting 33.5 % of total expenditure. R121.6 million or 17.1% was transferred to political parties comprising of Political Party Funding and Constituency Allowances. Capital payments totalled R12.2 million or 1.7 % of total expenditure. The total expenditure of the current financial year increased by

10.3% when compared to the previous financial year. Expenditure by Programmes and Economic Classification is depicted below: *Expenditure by Programmes and Economic Classification is depicted below:*

Budget by programmes:	% of Budget	R'000
Leadership and Governance	6.6%	46 644
Office of the Secretary	3.1%	21 710
Corporate Support	45.9%	326 848
Core Business	37.0%	262 964
Office of the CFO	7.5%	53 419
	100%	711 585
Budget by economic classification:		
Compensation of Employees	47.7%	339 222
Goods and Services	33.5%	238 626
Transfer to Parties	17.1%	121 572
Capital Expenditure	1.7%	12 165
	100%	711 585

3.1 Underspending and Overspending

The underspending on compensation of employees is primarily attributable to unfilled vacant positions, non-finalisation of the 2017/18 performance bonuses to qualifying senior management and 2017/18 pay-progression to qualifying employees in the bargaining unit.

The under-expenditure in goods and services is also attributable to the deferment of attendance at workshops, conferences, seminars and inter-legislature visits due to in-house priorities.

The increase in the capital budget mainly relates to implementation of the following reprioritised capital projects during the financial year:

- » Upgrade of audio- visual equipment in the chamber at R5.3 million;
- » Upgrade of the Enterprise Composite Model (ECM) at R6.3 million;
- » Procurement of laptops for Members at R1.6 million;
- » Replacement of House technical equipment at R489 thousand; and
- » Procurement of office equipment at R375 thousand.

3.2 Savings

The GPL realised savings of R9 million as a result of the implementation of the efficiency measures. The realised savings were largely contributed by the following items:

- » Mobile business tools - expenditure was less than the allocated budget;
- » Maintenance and repairs - maintenance cost for the building were lower than anticipated;

- » Training and development - requests for training were lower than anticipated;
- » Municipal Services - consumption was lower during the year;
- » Deferring attendance of conferences due to institutional priorities;
- » EAP expenses - Wellness interventions were fewer than planned;
- » Security services - Security services provided during committee activities were dependent on the number of Committee activities executed;
- » Review of the Institutional Scorecard - Internal capacity was utilized for the review;
- » Procurement of uniforms and fumigation services as costs were lower than anticipated.
- » Implementation of cost efficiency measures on travelling including Inter-legislature visits, conferences, accommodation and use of external venues;
- » Reduction in the annual report printing costs;
- » License fees due to the rationalisation of institutional software requirements;
- » Savings were also realised in areas of stationery, printing, advertising, gifts and promotional items, print room rentals and refreshments.

The need for additional funding in respect of emerging priorities and priority projects were then supplemented by the savings realised in areas outlined above.

4. Political Funding

Section 236 of the Constitution promotes multi – party democracy and in particular funding of political parties participating in provincial legislatures on an equitable and proportional basis. A total amount of R114.9 million was transferred to Political Parties. Details of transfers to parties during the year is reflected in the table below:

Transfers to Political Parties: 2018/19

Political Party	Political Party Funding	Constituency Allowance	Total Transfers
ANC	38 859	22 345	61 204
DA	23 706	12 848	36 555
EFF	10 217	4 469	14 686
IFP	3 936	559	4 494
VF	4 074	559	4 633
Total	80 792	40 780	121 572

The expenditure of public funds by political parties is carefully regulated and closely monitored. The financial effect of this distribution is reflected in the Annual Financial Statements of the fund. In instances where any party did not comply with the provisions of the Gauteng Political Party Fund Act, funds were withheld accordingly.

5. Own Revenue

The GPL generated the following revenue during the 2018/19 financial year:

Item	Rand Amount
Interest On Debtors	33 486
Parking Income	1 817 613
Sundry Income	24 550
Hall Bookings	261 480
Interest On Bank Accounts	15 746 028
Total	17 883 157

In line with the provisions of the FMPPLA, own revenue generated is retained by the GPL and accordingly reflected in the annual financial statements.

6. Preparation Of Annual Financial Statements

The Annual Financial Statements for the year ended 31st March 2019 have been duly prepared in accordance with the effective standards of GRAP including any interpretations, guidelines and directives issued by the Accounting Standards Board. The annual financial statements have therefore been prepared on an accrual basis which necessitated adoption of accounting policies consistent with GRAP. Introduction of new standards where applicable have been stated in the notes to the Annual Financial Statements. The accounting policies for the year under review are consistent to that of the previous financial year.

7. Events After The Reporting Date

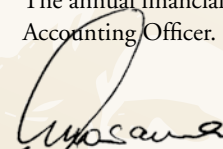
To our knowledge, there are no post-reporting date events that have a significant impact on the annual financial statements as reported.

8. Other

There are no other facts or circumstances that may have an effect on the GPL's financial state of affairs.

9. Approval

The annual financial statements set out on pages 3 to 36 have been approved by the Accounting Officer.


Peter Skosana

Secretary to the Provincial Legislature (Accounting Officer)
31ST May 2019



CONFIRMATION OF THE ACCURACY AND FAIR PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS SUBMITTED

Financial Statements for the 2018/19 Financial Year Ending 31 March 2019

I hereby acknowledge that the Annual Financial Statements of the Gauteng Provincial Legislature have been submitted to the Auditor-General's office for auditing in terms of section 56(1) and 57 of the FMPLA.

I acknowledge my responsibility for the accuracy of the accounting records and the fair presentation of the Performance Information and confirm to the best of my knowledge and belief, the following:

- » The Financial Statements have been prepared in accordance with Generally Recognized Accounting Practice (GRAP),
- » The Financial Statements are complete and accurate;
- » The Financial Statements are free from material misstatements including omissions; and
- » Accounting estimates are reasonable in the circumstances.

Yours faithfully,



Peter Skosana
Secretary to the Provincial Legislature (Accounting Officer)
31ST May 2019

Legal form of entity
Provincial Legislature

Registered office
Cnr President and Loveday Street
Johannesburg
2001

Business address
Cnr President and Loveday Street
Johannesburg,
2001

Postal address
Private Bag X52
Johannesburg 2000

Bankers
Standard Bank of SA

Auditors
Auditor General South Africa (AGSA)
Registered Auditors

Secretary to the Legislature
Peter Skosana

REPORT OF THE AUDITOR-GENERAL TO GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 2

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Provincial Legislature set out on pages 94 to 132 which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Provincial Legislature as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act 2009 (Act No.10 of 2009) (FMPPLA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the provincial legislature in accordance with sections 290 and 291 of the International Ethics Standards Board for

Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material uncertainty relating to contingent liabilities

7. With reference to note 26 to the financial statements, the provincial legislature is the defendant in a number of labour matters relating to the expiry of employment contracts. The provincial legislature is opposing these claims. The ultimate outcomes of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the FMPPLA, and for such internal control as the accounting officer determines is necessary to enable the preparation

of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting officer is responsible for assessing the Gauteng Provincial Legislature's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the provincial legislature or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the provincial legislature. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the provincial legislature for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 1 Leadership and Governance	28 –31
Programme 4 Core Business	37 –43

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes:
 - » Programme 1: Leadership and Governance
 - » Programme 4: Core Business

Other matters

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 24 to 66 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the provincial legislature with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. The material findings on compliance with specific matters in key legislations are as follows:

Annual financial statements

21. The financial statements submitted for auditing were not prepared in accordance with generally

recognised accounting practice, as required by sections 56(1) of the FMPPL Act. Material misstatements of Property, plant and equipment, Provisions, and Operating expenses identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure Management

22. Appropriate steps were not taken to prevent irregular expenditure amounting to R4 067 947 as disclosed in note 30 to the annual financial statements, as required by section 7(e) of the FMPPL Act. The majority of the irregular expenditure was caused by procurement of goods or services by means other than through the quotations process.

Procurement and contract management

23. Some of the goods and services with a transaction value within the threshold set by the Supply Chain Management (SCM) Policy were procured without obtaining the required price quotations, as required by Parliament SCM regulation 6(1),6(6) and 6(7).

Consequence management

24. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 7(e) of the FMPPL Act. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

Other information

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.
30. The accounting officer did not exercise adequate oversight over the preparation of financial statements and compliance with laws and regulations.
31. Senior management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information. Senior management did not adequately review and monitor compliance with the FMPP Act.

Auditor-General

Johannesburg
31 July 2019

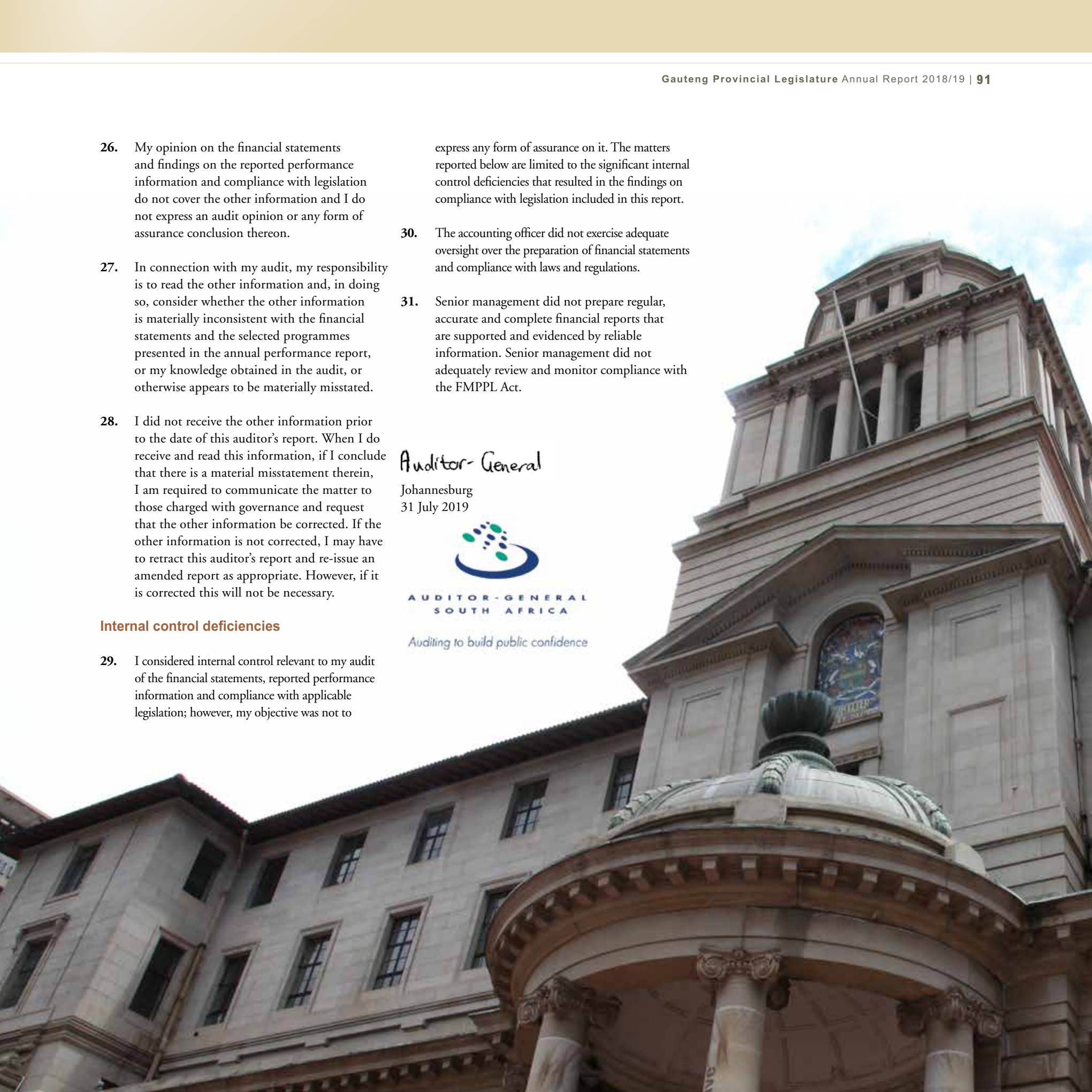


AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to



ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the legislature’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:

- » identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- » obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the provincial legislature’s internal control

- » evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- » conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Gauteng Provincial Legislature’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions

may cause a provincial legislature to cease continuing as a going concern

- » evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



STATEMENT OF FINANCIAL POSITION

as at March 31, 2019

Figures in Rand	Note(s)	2019	2018
Assets			
Current Assets			
Inventories	8	698,607	1,876,844
Receivables from exchange transactions	9	2,203,351	2,975,299
Prepayments	7	3,088,249	3,714,916
Cash and cash equivalents	10	263,707,119	237,298,976
		269,697,326	245,866,035
Non-Current Assets			
Heritage assets	3	1,920,264	1,920,264
Property, plant and equipment	4	111,809,328	106,754,317
Intangible assets	5	3,156,384	3,870,056
		116,885,976	112,544,637
Total Assets		386,583,302	358,410,672
Liabilities			
Current Liabilities			
Finance lease obligation	11	3,446,611	3,486,703
Operating lease liability	6	1,964,187	2,382,632
Payables from exchange transactions	14	29,748,403	26,200,618
Provisions	12	30,319,823	39,328,031
Staff payables	13	795,438	724,058
		66,274,464	72,122,042
Non-Current Liabilities			
Finance lease obligation	11	471,563	1,710,872
Provisions	12	5,494,646	5,148,073
		5,966,209	6,858,945
Total Liabilities		72,240,673	78,980,987
Net Assets		314,342,630	279,429,685
Accumulated surplus		314,342,630	279,429,685

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended March 31, 2019

Figures in Rand	Note(s)	2019	2018
Revenue from non-exchange transactions	15	789,575,848	746,890,747
Revenue from exchange transactions	16	2,137,129	3,355,013
Operating expenses	19	-771,972,999	-727,806,257
Operating surplus		19,739,978	22,439,503
Interest Income	17	15,746,028	15,705,297
Finance costs	21	-573,062	-725,835
Surplus		34,912,945	37,418,965

STATEMENT OF CHANGES IN NET ASSETS

for the year ended March 31, 2018

Figures in Rand	Note	Accumulated surplus	Total net assets
Balance at April 1, 2017		242,010,721	242,010,721
Changes in net assets			
Surplus		38,280,630	38,280,630
Prior period error	35	-861,666	-861,666
Restated Surplus		37,418,965	37,418,965
Restated balance at April 1, 2018		279,429,686	279,429,686
Changes in net assets			
Surplus		34,912,945	34,912,945
Balance at Dec 31, 2019		314,342,630	314,342,630

CASH FLOW STATEMENT

for the year ended March 31, 2019

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Receipts			
Revenue		789,575,848	746,890,747
Interest income		14,346,620	14,351,527
Other receipts		4,308,485	3,840,575
		808,230,953	765,082,849
Payments			
Employee costs		-413,625,029	-382,004,070
Suppliers		-346,836,985	-326,660,638
		-760,462,013	-708,664,708
Net cash flows from operating activities	23	47,768,940	56,418,141
Cash flows from investing activities			
Purchase of property, plant and equipment	4	-19,768,013	-6,715,214
Proceeds from sale of property, plant and equipment		259,678	-
Net cash flows from investing activities		-19,508,334	-6,715,214
Cash flows from financing activities			
Finance lease payments		-1,852,462	-4,122,690
Net cash flows from financing activities		-1,852,462	-4,122,690
Net increase/(decrease) in cash and cash equivalents		26,408,144	45,580,236
Cash and cash equivalents at the beginning of the year		237,298,976	191,718,739
Cash and cash equivalents at the end of the year	10	263,707,119	237,298,976

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS as at 31 March 2019

Budget on Cash Basis	Approved Budget	Shifting of Funds	Budget at end of Period	Actual amounts on comparable basis	Difference between budget and actual
Transfer revenue					
Appropriation	715,824,000		715,824,000	715,824,000	-
Economic Class					
Personnel	356,885,000	-14,719,000	342,166,000	-339,222,058	2,943,942
Political party funding and	121,572,000		121,572,000	-121,572,428	-428
Constituency allowances			-	-	
Goods and services	232,924,000	5,977,000	238,901,000	-238,625,803	275,197
Assets	4,443,000	8,742,000	13,185,000	-12,164,534	1,020,466
Total	715,824,000	-	715,824,000	-711,584,823	4,239,177
Surplus	-	-	-	4,239,177	
Actual Amount on Comparable					

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS as at 31 March 2018

Budget on Cash Basis	Approved Budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between budget and actual
Transfer revenue					
Appropriation	674,898,000	-	674,898,000	674,898,000	
Economic Class					
Personnel	-318,120,000	-	-318,120,000	310,273,158	-7,846,842
Political party funding and	-114,907,000	-	-114,907,000	114,907,000	-
Constituency allowances		-	-	-	
Goods and services	-234,053,000	-	-234,053,000	214,570,697	-19,482,303
Assets	-7,818,000	-	-7,818,000	6,435,093	-1,382,907
Total	-674,898,000	-	-674,898,000	646,185,948	-28,712,052
Surplus	-	-	-	-	-28,712,052
Actual Amount on Comparable			- 674,898,000	646,185,948	-28,712,052

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Financial Management of Parliament and Legislatures Act

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

The Gauteng Provincial Legislature assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair

values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in Provisions.

Useful lives of property plant, equipment and intangible assets

The GPL's management determines the estimated useful lives and related depreciation charges for the property plant and equipment, and software and development cost. This estimate is based on pattern in which as assets future economic benefit or services potential are expected to be consumed by the entity.

Effective interest rate

The GPL uses an appropriate rate, taking into account guidance provided in the accounting standards and applying professional judgement to the specific circumstances to discount future cash flows.

1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- » it is probable that future economic benefits or service potential associated with the item will flow to the GPL; and the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the GPL's obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation	Average useful life
Land	Straight line	Infinite
Buildings	Straight line	50
Leasehold property	Straight line	over the lease period
Plant and machinery	Straight line	5-15 years
Furniture and fixtures	Straight line	9 to 21 years
Motor vehicles	Straight line	5 to 9 year
Office equipment	Straight line	13 years
IT equipment	Straight line	5 to 15 years
Leasehold improvements	Straight line	over the lease period
Library books	Straight line	20 years

The residual value, and the useful life and depreciation method of each asset are revised at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted as a change in accounting estimate. Reviewing the useful life of an asset on an annual basis does not require the GPL to amend the previous estimates unless expectations differ from previous estimates. The residual value of motor vehicles is estimated at 20% of the cost.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the GPL holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement. Subsequent to initial measurement Property, plant and equipment is measured as cost less accumulated depreciation and any accumulated impairment loss, where the GPL replaces part of an asset, it derecognises the part of an asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity of the future economic benefits or services potential associated with the asset.

1.3 Intangible assets

An asset is identifiable if it either:

- » is separable, i.e. is capable of being separated or divided from an GPL and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the
- » arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the GPL or from other rights and obligations.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. *An intangible asset arising from development (or from the development phase of an internal project) is recognised when:*

- » it is technically feasible to complete the asset so that it will be available for use or sale.
- » there is an intention to complete and use or sell it.
- » there is an ability to use or sell it.
- » it will generate probable future economic benefits or service potential.
- » there are available technical, financial and other resources to complete the development and to use or sell the asset.
- » the expenditure attributable to the asset during its development can be measured reliably. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight line	10 - 12 year

Intangible assets are derecognised:

- » on disposal; or
- » when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised

Average useful life of software – The LIMS program was internally generated and has been estimated to be in use for approximately 10 to 12 years.

1.4 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The GPL recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the GPL, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses. The GPL does not depreciate Heritage assets.

Impairment

The GPL assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the GPL estimates the recoverable amount or the recoverable service amount of the heritage asset.

Derecognition

The GPL derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the item is derecognised.

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one GPL and a financial liability or a residual interest of another entity.

A financial asset is:

- » cash;
- » a residual interest of another entity; or
- » a contractual right to:
- » receive cash or another financial asset from another entity; or
- » exchange financial assets or financial liabilities with another GPL under conditions that are potentially favourable to the entity.
- » deliver cash or another financial asset to another entity; or

- » exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Classification

The GPL has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Other receivables from non-exchange transaction	Financial asset measured at amortised cost

The GPL has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Employee vendors	Financial liability measured at amortised cost

Initial recognition

The GPL recognises a financial asset or a financial liability in its statement of financial position when the GPL becomes a party to the contractual provisions of the instrument.

The GPL recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The GPL measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The GPL measures all financial assets and financial liabilities after initial recognition using the following categories: Financial instruments at fair value. Financial instruments at amortised cost. Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the GPL establishes fair

value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the GPL uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an constitutional institution calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectible of financial assets

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition Financial assets

The GPL derecognises financial assets using trade date accounting.

The GPL derecognises a financial asset only when:

- » the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- » the GPL transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to

an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

In this case, the GPL:

- derecognise the asset; and
- recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the GPL has retained substantially all the risks and rewards of ownership of the transferred asset, the GPL continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the GPL recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The GPL removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another GPL by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the GPL currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the GPL assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

The determination of whether an arrangement is, or contains a lease is based on the substance of an arrangement at implicit date of whether the fulfilment of the arrangement is dependent on the use of specific asset or assets or the arrangement a right to use the asset. the classification of the lease is determined as follows;

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis. The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis. Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. The aggregate benefit of incentives is recognised as a reduction of rental expenses over the lease term on the straight line basis over the lease term. any contingent rent is recognised separately as an expense when paid or payable and is not straight lined over the lease term.

1.7 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition. Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for; distribution at no charge or for a nominal charge; or consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the GPL.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8 Impairment of cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- » the period of time over which an asset is expected to be used by the GPL; or
- » the number of production or similar units expected to be obtained from the asset by the GPL.

Criteria developed by the GPL to distinguish cash-generating assets from non-cash-generating assets are as follow:

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The GPL assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the GPL estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the GPL also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible

asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the GPL estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the GPL applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the GPL recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of impairment loss

The GPL assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset

attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.9 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets. Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. *Useful life is either:*

- » the period of time over which an asset is expected to be used by the GPL; or
- » the number of production or similar units expected to be obtained from the asset by the GPL.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The GPL assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the GPL estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the GPL also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the GPL would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the GPL recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The GPL assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the GPL estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.10 Employee benefits**Short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- » salaries and social security contributions;
- » short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;

- » bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- » non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.
- » When an employee has rendered service to the GPL during a reporting period, the GPL recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:
- » as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the GPL recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- » as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The GPL measure the expected cost of accumulating compensated absences as the additional amount that the GPL expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The GPL recognise the expected cost of bonus, incentive and performance related payments when the GPL has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the GPL has no realistic alternative but to make the payments.

Post-employment benefits

Other long-term employee benefit

The GPL provides other long-term employee benefits to its employees. The other Long-term employee benefits may include.

- » Long-term compensated absences such as long services leave;
- » Other long service benefits
- » Bonus incentive and performance related payments payable 12 months or more after the end of the reporting period in which the employees render the related services.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts: The present value of the defined benefit obligation at the reporting date; minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly. *The GPL shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:*

- » current service cost; interest cost;
- » the expected return on any plan assets and on any reimbursement right recognised as an asset; actuarial gains and losses, which shall all be recognised immediately;

- » past service cost, which shall all be recognised immediately; and the effect of any curtailments or settlements.

1.11 Provisions and contingencies

Provisions are recognised when:

- » the GPL has a present obligation as a result of a past event;
- » it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- » a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the constitutional institution settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If an GPL has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- » has a detailed formal plan for the restructuring, identifying at least;
- » the activity/operating unit or part of a activity/operating unit concerned; the principal locations affected;
- » the location, function, and approximate number of employees who will be compensated for services being terminated;
- » the expenditures that will be undertaken; and when the plan will be implemented; and

- » has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both: necessarily entailed by the restructuring; and not associated with the ongoing activities of the GPL

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The GPL recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- » financial difficulty of the debtor;
- » defaults or delinquencies in interest and capital repayments by the debtor;
- » breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- » a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the GPL for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the GPL considers that an outflow of economic resources is probable, and GPL recognises the obligation at the higher of:

- » the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- » the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.12 Commitments

Items are classified as commitments when an GPL has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- » Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- » Contracts should relate to something other than the routine, steady, state business of the GPL- therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.13 Revenue from exchange transactions

Exchange transaction is one in which the GPL receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- » the amount of revenue can be measured reliably;
- » it is probable that the economic benefits or service potential associated with the transaction will flow to the GPL;
- » the stage of completion of the transaction at the reporting date can be measured reliably; and
- » the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by.

Interest, royalties and dividends

Revenue arising from the use by others of GPL assets yielding interest, royalties and dividends or similar distributions is recognised when:

- » It is probable that the economic benefits or service potential associated with the transaction will flow to the GPL, and
- » The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.14 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an GPL either receives value from another GPL without directly giving approximately equal value in exchange, or gives value to another GPL without directly receiving approximately equal value in exchange.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the GPL satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the GPL.

When, as a result of a non-exchange transaction, the GPL recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue. Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislative procedure, including those set out in the Financial Management policy of the Gauteng Legislature, and is recognised when the recovery thereof from the responsible board members or officials is virtually certain.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the GPL and the fair value of the assets can be measured reliably.

1.15 Borrowing costs

Borrowing costs are interest and other expenses incurred by an GPL in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the restriction is disclosed where accounting errors have been identified in the current period., the correction is made retrospectively as far as practicable, and the period comparable as far as practicable, and the prior year comparatives are restated accordingly.

1.17 Unauthorised expenditure

Unauthorised expenditure means: overspending of a vote or a main division within a vote; and expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the Financial Management of Parliament and Provincial Legislatures Act as expenditure incurred in other than unauthorised expenditure, contravention of or that is not in accordance with a requirement of any applicable legislation, including -

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register disclosed in the Financial Statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register and disclosed in the Financial Statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.20 Budget information

GPL is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The annual financial statements and the budget are on different basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts and a reconciliation between actual surplus and deficit and budget is disclosed in the note.

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.21 Related parties

The GPL operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the provincial sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the GPL, including those charged with the governance of the GPL in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the GPL.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

2. Standards Approved and not yet Effective

2.1 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are relevant for the GPL’s accounting periods beginning on or after April 1, 2019 or later periods but are not yet effective:

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
GRAP 108 Statutory Receivables	Effective from - 1 April 2019	Unlikely of any material impact
GRAP 20 Related Party Disclosures	Effective from - 1 April 2019	Unlikely of any material impact
GRAP 109 Accounting by Principals	Effective from - 1 April 2019	Unlikely of any material impact

2.2 Standards and interpretations not yet effective and not relevant

The following standards and interpretations have been published and are relevant for the GPL’s accounting periods beginning on or after April 1, 2019 or later periods but are not yet effective:

Standard/ Interpretation: Years beginning on or after	Effective date:	Expected impact:
GRAP 18 Segment Reporting	Effective from - 1 April 2019	No impact
GRAP 32 Service Concessions Arrangements: Grantor	Effective from - 1 April 2019	No impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	Effective from - 1 April 2019	No impact
GRAP 106 Transfer of Functions Between Entities Not Under Common Control	Effective from - 1 April 2019	No impact
GRAP 107 Mergers	Effective from - 1 April 2019	No impact
GRAP 110 Living and Non-living Resources	Effective from - 1 April 2019	No impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

3. Heritage assets

	2019			2018		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Figures in Rand						
Art work	1,920,264	-	1,920,264	1,920,264	-	1,920,264
Reconciliation of heritage assets - 2019						
				Opening balance	Disposals	Total
Art work				1,920,264	-	1,920,264
Reconciliation of heritage assets - 2018						
				Opening balance	Disposals	Total
Art work				1,920,264	-	1,920,264

4. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Figures in Rand						
Land	9,111,028	-	9,111,028.00	9,111,028	-	9,111,028
Buildings	60,653,049	-11,263,026	49,390,023.24	60,653,049	-9,806,612	50,846,438
Leasehold property	25,367,691	-21,764,291	3,603,399.99	22,004,159	-17,216,425	4,787,734
Plant and machinery	17,328,826	-5,753,500	11,575,325.30	11,631,829	-5,081,236	6,550,593
Furniture and fixtures	16,523,670	-7,971,174	8,552,495.96	16,049,834	-7,034,147	9,015,687
Motor vehicles	5,111,117	-3,061,857	2,049,260.09	5,586,871	-2,668,733	2,918,138
Office equipment	894,459	-331,423	563,036.69	701,965	-286,377	415,588
IT equipment	28,936,749	-9,570,104	19,366,644.72	20,043,824	-7,702,567	12,341,257
Leasehold improvements	14,222,742	-8,550,089	5,672,653.25	14,222,742	-5,463,996	8,758,746
Library books	3,703,429	-1,777,968	1,925,461.11	3,703,429	-1,694,322	2,009,108
Total	181,852,760	-70,043,432	111,809,328	163,708,732	-56,954,415	106,754,317

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

4. Property, plant and equipment ^{Continued}

Reconciliation of property, plant and equipment - 2019

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	9,111,028	-	-	-	-	9,111,028
Buildings	50,846,438	-	-	-1,456,414	-	49,390,023
Leasehold assets	4,787,735	3,363,532	-	-4,547,866	-	3,603,401
Plant and machinery	6,550,594	5,913,774	-150,740	-738,301	-	11,575,326
Furniture and fixtures	9,015,687	1,349,520	-366,201	-1,134,882	-311,629	8,552,496
Motor vehicles	2,918,137	-	-97,679	-771,198	-	2,049,260
Office equipment	415,588	208,454	-3,144	-57,862	-	563,037
IT equipment	12,341,257	8,932,732	-20,597	-1,504,454	-382,294	19,366,645
Leasehold improvements	8,758,746	-	-	-3,086,093	-	5,672,653
Library books	2,009,107	-	-	-83,647	-	1,925,461
	106,754,317	19,768,013	-638,361	-13,380,717	-693,923	111,809,329

Reconciliation of property, plant and equipment - 2018

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	9,111,028	-	-	-	-	9,111,028
Buildings	52,306,094	-	-	-1,459,657	-	50,846,438
Leasehold assets	8,517,847	1,257,998	-210,390	-4,777,720	-	4,787,735
Plant and machinery	7,612,830	49,090	-311,744	-799,583	-	6,550,594
Furniture and fixtures	7,935,866	2,286,206	-223,524	-982,861	-	9,015,687
Motor vehicles	3,368,609	-	-	-450,472	-	2,918,137
Office equipment	461,048	2,749	-268	-47,941	-	415,588
IT equipment	12,539,395	2,782,357	-1,595,800	-1,384,695	-	12,341,257
Leasehold improvements	11,835,163	-	-	-3,076,417	-	8,758,746
Library books	1,778,079	336,814	-	-105,786	-	2,009,107
	115,465,960	6,715,214	-2,341,726	-13,085,131	-	106,754,317

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand	2019	2018
Classes of Work in progress		
IT equipment	6,980,522	-
	6,980,522	-
The work in progress is in respect of the ECM project, which the installation part is outstanding and will be completed during 2019/20 financial year.		
Disclosure on repairs and maintenance of Property, Plant and Equipment		
Buildings	3,112,256	1,339,374
Plant and machinery		224,878
IT equipment		32,729
	3,112,256	1,596,980

5. Intangible assets

Figures in Rand	2019			2018		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	20,955,601	-17,799,217	3,156,384	21,052,892	-17,182,836	3,870,056

Reconciliation of intangible assets - 2019

Figures in Rand	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Computer software, other	3,870,056		-	- 616,381	-97,292	3,156,383

Reconciliation of intangible assets - 2018

Figures in Rand	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	5,781,270	-	-	-1,911,214	3,870,056

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand	2019	2018
6. Operating lease liabilities		
Current liabilities	1,964,187	2,382,632
	1,964,187	2,382,632
The operating lease is as a result of straight lining of rental payments over the lease term.		
7. Prepayments		
Insurance	991,625	867,435
Software Licences	2,096,624	2,847,481
	3,088,249	3,714,916
Licences and Insurance are usually paid annually in the months of January to March. Amounts applicable to period April to December are recognised as prepayments at the end of March 2019		
8. Inventories		
Memorabilia for sale	101,278	285,874
Consumable stores	597,329	1,105,608
Maintenance materials	-	485,362
	698,607	1,876,844

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand	2019	2018
9. Receivables from exchange transactions		
Interest receivable	1,399,408	1,353,770
Staff receivables	283,043	-
Trade debtors	520,901	1,814,112
Debtors Impairment	-	-192,583
Current assets	2,203,351	2,975,299
Fair value of trade and other receivables		
Trade and other receivables	2,203,351	2,975,299
<p>No trade and other receivables were used as collateral</p> <p>In estimating the future cash flows, management estimates the cash flows that it expects to collect based on the facts and circumstances at the reporting date.</p> <p>Management adopted the pattern of each receivable over the previous 12 months as the most appropriate methodology as it reflects the amount likely to be collected in future.</p> <p>Trade and other receivables past due but not impaired</p> <p>Trade and other receivables which are less than 12 months past due are not considered to be impaired.</p> <p>At March 31, 2019,</p> <p>R 2 203 351 (2018: R 2,975,299) were past due but not impaired.</p> <p>The ageing of amounts past due but not impaired is as follows:</p>		
0 to 30 days	2,203,351	2,829,741
31 to 60 days	-	145,558
	2,203,351	2,975,299
Trade and other receivables impaired		
<p>As at March 31, 2019, No trade and other receivables were impaired and provided for.</p> <p>The ageing of these debtors is as follows:</p>		
Over 6 months	-	192,583

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand

2019

2018

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	263,707,119	237,298,976
	263,707,119	237,298,976

Below is the description in terms of Section 56 of Financial Management of Parliament and Provincial Legislatures Act

Standard Bank

Standard Bank Main	84,755,515	78,196,727
Standard Bank Revenue	178,214,650	158,996,580
Standard Bank Salaries	731,190	90,133
Standard Bank Petty cash	5,765	15,535
	263,707,119	237,298,976

Global Credit Ratings has affirmed the national scale ratings assigned to Standard Bank of South Africa Limited of AA+(ZA) and A1+(ZA) in the long term and short term respectively; with the outlook accorded as Stable. Furthermore, Global Credit Ratings has affirmed the international scale rating assigned to Standard Bank of South Africa Limited of BB+, with the outlook accorded as Stable. Accordingly, the risk associated with SBSA is considered negligible or within the acceptable tolerance threshold.

11. Finance lease obligation

Minimum lease payments due

Not later than one year	3,642,400	3,845,819
Later than one year and not later than five years	480,533	1,764,359
	4,122,933	5,610,178
less: future finance charges	-204,759	-412,604
Present value of minimum lease payments	3,918,174	5,197,574
Present value of minimum lease payments due		
Not later than one year	3,446,611	3,486,703
Later than one year and not later than five years	471,563	1,710,872
	3,918,174	5,197,574
Non-current liabilities	471,563	1,710,872
Current liabilities	3,446,611	3,486,703
	3,918,174	5,197,574

It is GPL's policy to lease certain cell phones and photo copy machine under finance leases.

The average lease term was 2-3 years and the average effective borrowing rate was in line with the contract.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand	Opening Balance	Additions	Utilised during the year	Total
12. Provisions				
Reconciliation of provisions - 2019				
Bonus	15,142,420	7,840,790	-14,221,224	8,761,986
Legal obligation		1,737,664		1,737,664
Leave	23,480,196	19,187,350	-23,480,196	19,187,350
Long service award	5,853,490	1,067,981	-794,000	6,127,471
	44,476,105	29,833,785.45	-38,495,420	35,814,470
Reconciliation of provisions - 2018				
Bonus	9,910,684	5,231,736	-	15,142,420
Leave	22,872,378	20,987,644	-20,379,826	23,480,196
Long service award	5,673,632	1,492,358	-1,312,500	5,853,490
	38,456,694	27,711,737	-21,692,326	44,476,105

Figures in Rand	2019	2018
Non-current liabilities	5,494,646	5,148,073
Current liabilities	30,319,824	39,328,031
	35,814,469	44,476,105

The provision for legal obligation has been raised as a result of a legal case which was settled subsequent to year end.
The bonus provision includes outstanding bonuses for senior management for 2017/2018 and 2018/2019 financial year.

13. Staff payables

	795,438	724,058
	795,438	724,058

The amount relate to optional savings made by employees during the financial year as deductions from their salaries .The money is paid back to employees upon request but ordinarily paid out in December of each year. The amount of R795,438 is therefore funds held in custody on behalf of employees of the GPL and payable immediately upon request.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand	2019	2018
14. Payables from exchange transactions		
Goods Received (GIIR)	7,401,525	8,080,598
Retention	-	335,547
Uncleared EFT	6,244,489	82,957
Trade payables	16,102,391	17,701,517
	29,748,403	26,200,619
15. Revenue from non-exchange transactions		
Voted funds	715,824,000	674,898,000
Direct charges	73,373,848	71,742,747
Aid assistance	378,000	250,000
	789,575,848	746,890,747
16. Revenue from exchange transactions		
Interest on debtors	33,486	49,193
Parking income	1,817,613	1,863,677
Sundry income	13,100	342,475
Hall bookings	272,930	333,888
Prior year expenditure recovered*	-	765,780
	2,137,129	3,355,013
* The amount relate to the expenditure recognised in the 2016/17 financial year. During the 2017/18 financial year, it was determined that the said amounts were no longer due and payable consequential to goods and services deemed not satisfactory.		
17. Interest Revenue		
Interest revenue	15,746,028	15,705,297
	15,746,028	15,705,297

Interest revenue includes an amount of R1, 399 million accrued bank interest .

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand

18. Appropriation and Direct Charges

	2019	2018
Operating grants		
Voted funds	715,824,000	674,898,000
Direct charges	73,373,848	71,742,747
	789,197,848	746,640,747

19. Operating expenses

Asset related expenses *	13,799,569	18,710,763
Auditors fees (Internal and External)	5,721,194	6,245,964
Consulting and professional fees**	29,169,549	29,018,146
Consumables ***	6,144,014	7,122,749
Employee Cost *****	404,824,135	396,074,273
Licence fees	5,406,781	9,352,881
Municipal service	4,252,704	4,692,842
Operating expenditure ****	57,146,112	34,725,800
Political party funding and Constituency allowances	121,572,428	114,907,032
Repairs & maintenance	4,142,856	4,198,820
Subscriptions	2,855,750	3,086,095
Telephone and fax	6,824,164	10,595,854
Travel & Accommodation	69,094,418	56,518,729
Workshop and functions	41,019,325	32,556,308
	771,972,999	727,806,257

* Asset related expenses - expenditure relating to depreciation, asset disposals and general asset expenses.

**Consulting and professional fees - expenditure relating the outsourcing of professional services relating to IT, Security, Hansard, independent members serving on LSB structures and other general consultants.

***Consumables - expenditure relating to cleaning materials, stationery and general printing.

****Operating expenditure - expenditure relating to Bank charges, Advertising, Rent, Cleaning and Insurance and general

*****Employee costs - expenditure relates to remuneration of Members and Staff, staff training, bursaries and staff placements

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand	2019	2018
20. Employee related costs		
Basic	362,404,193	349,418,988
UIF	851,577	864,629
Overtime payments	7,686,092	5,933,916
Political allowances	7,430,828	7,392,178
Car allowance	26,662,083	24,465,241
Less: Members remuneration	-73,373,848	-71,730,095
	331,660,926	316,344,856
Remuneration of Provincial Secretary		
Annual Remuneration	2,008,523	1,735,937
Car Allowance	441,178	412,857
	2,449,701	2,148,794
Remuneration of CFO		
Annual Remuneration	1,917,085	1,497,027
Car Allowance	374,697	422,701
	2,291,782	1,919,728
Remuneration of Executive Director - Corporate service		
Annual Remuneration	1,914,663	1,680,925
	1,914,663	1,680,925
Remuneration of Executive Director - Core Business		
Annual Remuneration	1,674,931	1,505,584
Car Allowance	209,439	195,994
	1,884,370	1,701,578
Remuneration of Executive Director - Leadership and Governance		
Annual Remuneration	1,888,266	1,680,593
	1,888,266	1,680,593

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand	2019	2018
21. Finance costs		
Finance leases	573,062	725,835
	573,062	725,835
22. Auditors' remuneration		
Fees	4,509,687	4,714,400
	4,509,687	4,714,400
23. Cash generated from operations		
Surplus	34,912,945	37,418,965
Adjustments for:		
Depreciation and amortisation	13,997,098	14,996,346
Impairment	791,215	
Finance costs - Finance leases	573,062	725,835
Movements in operating lease assets	- 418,445	165,529
Movements in provisions	- 8,661,635	6,019,410
Asset Disposals	378,683	2,341,726
Staff payables	71,381	51,471
Changes in working capital:		
Inventories	1,178,237	-558,557
Prepayments	626,667	-2,301,567
Receivables from exchange transactions	771,948	-868,207
Other receivables from non-exchange transactions	-	-
Payables from exchange transactions	3,547,785	-1,572,809
	47,768,940	56,418,142

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand	Note	At fair value	Total
24. Financial instruments disclosure			
Categories of financial instruments March 2019			
Financial assets			
Trade and other receivables from exchange transactions	9	2,203,351	2,203,351
Cash and cash equivalents	10	263,707,119	263,707,119
		265,910,471	265,910,471
Financial liabilities			
Trade and other payables from exchange transactions	14	29,748,403	29,748,403
Staff payables	13	795,438	795,438
Finance lease	11	3,918,174	3,918,174
		34,462,016	34,462,016
Categories of financial instruments March 2018			
Financial assets			
Trade and other receivables from exchange transactions	9	2,975,299	2,975,299
Cash and cash equivalents	10	237,298,976	237,298,976
		240,274,275	240,274,275
Financial liabilities			
Trade and other payables from exchange transactions	14	26,200,618	26,200,618
Staff payables	13	724,058	724,058
Finance lease	11	5,197,574	5,197,574
		32,122,250	32,122,250

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand

	2019	2018
25. Commitments		
Authorised expenditure		
Already contracted for but not provided for		
Goods and services	18,984,257	17,294,697
Total capital commitments		
	18,984,257	17,294,697
Committed and not contracted		
Goods and Services	7,032,088	-
	26,016,345	17,294,697
Authorised operational expenditure		
The commitments will be funded through Grants received from Provincial treasury		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	11,874,784	9,979,136
- in second to fifth year inclusive	3,564,616	13,433,487
	15,439,401	23,412,623

Operating lease payments represent rentals payable by the GPL for certain of its office properties. Leases are negotiated for an average term of five years and rentals increases on a annual rate of 9% per annum. No contingent rent is payable.

26. Contingent liabilities

Malefane and three others v GPL: Four Senior Managers vs GPL - Challenge in respect of expired contracts of employment with the GPL effective 30th June 2016. An arbitration was awarded against the GPL for the applicants to be reinstated on a permanent basis from 1st February 2017 and paid monthly salaries from 1st July 2016 to the end of January 2017. An application for review of the arbitration award was subsequently lodged by the GPL at the Labour Court. The present value of the expected cash flow is estimated at R 54 449 107.

Hlungwani vs GPL: The applicant challenge in respect of expired contract of employment with the GPL. A Notice of intention to oppose and affidavit served and filed. The present value of the expected cash flow is estimated at R12 059 341 .

Tafane vs GPL: The Applicant wants a five year contract based on discrimination. Notice to oppose and statement of response served and filled. The present value of the expected cash flow is estimated at R 5 904 886.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand

	2019	2018
27. Related parties		
Related party balances		
Provincial Treasury		
Voted funds	715,824,000	674,898,000
Direct charge	73,373,848	71,742,747
	789,197,848	746,640,747
Political parties		
Political Party funding and constituency allowances	121,572,428	114,907,032
	121,572,428	114,907,032
Debtors balances		
Premier Office	158,995	265,388
Social Development	159,678	148,801
	318,674	414,190
Creditors balances		
G-Fleet	10,345	165,597
	10,345	165,597
Revenue		
Premier Office	832,664	865,830
Social Development	655,138	763,202
	1,487,802	1,629,033
Expenditure		
G-Fleet	702,906	426,986
	702,906	426,986
Compensation to Member		
Annual Remuneration	55,559,611	54,432,688
Car allowances	10,383,409	9,905,230
Political allowances	7,430,828	7,392,178
	73,373,848	71,730,095

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Executive authority

2019			Total
Speaker	1,857,795	120,000	1,977,795
Deputy Speaker	1,447,937	120,000	1,567,937
	3,305,732	240,000	3,545,732
2018			Total
Speaker	1,827,510	120,000	1,947,510
Deputy Speaker	1,415,399	120,000	1,535,399
	3,242,909	240,000	3,482,909

Remuneration of management

The remuneration of the Executive Directors and the Accounting Officer has been disclosed in note 20 of the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

28. Risk management

Financial risk management

The GPL is exposed to interest rate risk, all funds deposited into a current account are not invested. The GPL's financial statements consist mainly of cash at bank and cash equivalents, other receivables and payables. The bank deposits and bank balances, receivables and payables approximates their fair value due to short-term nature of these instruments. The GPL, recognise the need to implement Risk Management.

Liquidity risk

The GPL's risk to liquidity is a result of the funds available to cover future commitments. The GPL manages liquidity risk through an ongoing review of future commitments and credit facilities.

Figures in Rand	Notes	Less than 1 year	Between 1 and 2 years and 5 years	Between 2 Over 5 years	Total
At March 31 , 2019					
Trade and other payables	14	29,748,403	-	-	29,748,403
Finance lease	11	3,446,611	471,563	-	3,918,174
		33,195,015	471,563	-	33,666,578
Figures in Rand		Less than 1 year	Between 1 and 2 years and 5 years	Between 2 Over 5 years	Total
At March 31 , 2018					
Trade and other payables	14	26,200,618	-	-	26,200,618
Finance lease	11	3,486,703	1,710,872	-	5,197,574
		29,687,321	1,710,872	-	31,398,193

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The GPL only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at end were as follows:

Figures in Rand	Notes	2019	2018
Financial instrument			
Receivables from exchange transactions		2,203,351	2,975,299
Cash and cash equivalent		263,707,119	237,298,976
		265,910,471	240,274,275

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Market risk

Interest rate risk

As the GPL has no significant interest-bearing assets, the GPL's income and operating cash flows are substantially independent of changes in market interest rates. At year end the financial instruments exposed to interests rate risk were as follow:

Figures in Rand	Current interest rate	Due in less than a year	Due in less than two years
Cash flow interest rate risk			
Financial instrument			
2019			
Cash in current banking institutions	6%	263,707,119	-
2018			
Cash in current banking institutions	6%	237,298,976	-

Fair value interest rate risk

Interest rate risk table

The following table demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the GPL's surplus for the year.

Interest rate exposure at statement of financial position date

March 2019

Surplus for the year	1% effect	2,637,071
Surplus for the year	-2% effect	-5,274,142

March 2018

Surplus for the year	1% effect	2,628,443
Surplus for the year	-2% effect	-5,273,689

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand	2019	2018
29. Fruitless and wasteful expenditure		
Opening balance	-	2,168,661
Fruitless and wasteful expenditure - current	-	-
Less: Amounts condoned	-	-2,168,661
	-	-
30. Irregular expenditure		
Opening balance	9,547,606	52,794
Add: Irregular Expenditure - relating to current year	4,067,947	121,676
Add: Irregular Expenditure - introduced in the current year relating to prior years	-	9,425,930
Less: Amounts condoned	-10,349,537	-52,794
	3,266,016	9,547,606
Analysis of expenditure condoned		
Current year	801,931	-
Prior years	9,547,606	52 794
	10,349,537	52 794

The Irregular expenditure for 2018/19 was incurred as a result of the following transgressions:

1. Non-compliance in relation to GPL's SCM Policy.
2. Procurement of goods or services by means other than through the quotations process.
3. Where reasons for deviating from complying with normal procurement processes were not approved by the Accounting Officer prior to the transaction being processed or actioned.

There is currently a disciplinary hearing relating to Irregular Expenditure amounting of R9 547 606.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

Figures in Rand	2019	2018
31. Reconciliation between budget and statement of the financial position		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance		
Net surplus per the statement of financial performance	34,912,945	37,418,965
Adjusted for:		
Capitalization of Assets	-16,404,481	-5,457,216
Depreciation and Amortisation recognised	14,094,390	14,996,346
Impairment and Disposal of Assets	1,332,284	2,341,726
Provisions	-1,689,806	6,019,411
Inventory	1,178,237	-558,557
Movements in Leases	-5,061,377	-4,489,216
Prepayments	-5,030,773	-2,301,567
Staff Payables	71,380	52,471
Staff receivables and Retention	- 655,585	
Other revenue	-18,508,037	-19,310,309
Net surplus per approved budget	4,239,177	28,712,052

32. Budget differences

Personnel expenditure (R2.9 million underspend)

Overall, the underspending on compensation of employees is due to unfilled funded vacancies and non-finalisation of 2017/18 performance bonuses to qualifying senior management and 2017/18 pay-progression to qualifying employees in the bargaining unit.

Differences between budget and actual amounts of preparations and presentation

The budget and the accounting bases differ. The annual financial statements for the GPL are prepared on the accrual basis using a classification based on the nature of expenditure in the statement of financial performance. The annual financial statements differ from the budget, which is approved on the cash basis.

The amounts in the annual financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. In addition, adjustments to amounts in the annual financial statements for timing differences associated with the continuing appropriation and the difference in the GPL were to express the actual amount on a comparable basis to the final approved budget.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended March 31, 2019

33. Events after Reporting date.

33.1 National and Provincial Elections

During the preparation of the annual financial statements, there was national and provincial elections. The results of the elections have an impact on Political Leadership and Members of the Gauteng Legislature. The exiting Members will be eligible for a gratuity which will be paid by the Gauteng Provincial Legislature, but will be recoverable from Gauteng Provincial Treasury.

33.2 Assets destroyed due to fire

During the month of June 2019 store room was gutted with fire, destroying computer equipment to the value of R 40,246

34. Change in Accounting Estimates.

The Remaining useful lives of assets were assessed on the 1st April 2018; the impact of assessment is as follows

Figures in Rand	Before Assesment	After Assessment	Impact
Computer Equipment	1,506,061	1,504,454	-1,607
Furniture & Office Equipment	1,225,252	1,192,744	-32,508
Machinery & Equipment	737,471	719,337	-18,134
Transport Assets	915,243	771,198	-144,045
			-196,293.98

35. Prior period error

During the year, it was discovered that expenditure relating to the 2017/2018 financial year were accounted in the 2018/19 financial year. Adjustments has been made on the financial statements to correct the error. The effect of the error has been disclosed as follows:

The effect of the correction is as follows:

Figures in Rand	2018
Increase in Operating expenditure	861,666
Decrease in profit	-861,666
Increase in Liabilities	- 861,666
Decrease in Accumulated Surplus	861,666

DETAILED INCOME STATEMENT

for the year ended March 31, 2019

Figures in Rand	Note(s)	2019	2018
Revenue			
Aid assistance		378,000	250,000
Appropriation	18	789,197,848	746,640,747
		789,575,848	746,890,747
Other income		17,883,157	19,060,309
Expenses		-771,972,999	-727,806,257
Operating surplus		35,486,006	38,144,800
Finance costs	22	-573,062	-725,835
Surplus for the year		34,912,945	37,418,965
The supplementary information presented does not form part of the annual financial statements and is unaudited			
Operating expenses			
Access control consumables		102,512	-
Accommodation		15,798,207	12,691,716
Advertising		9,384,231	11,557,412
Air travel		19,326,469	16,673,618
Asset disposal		1,169,898	2,341,726
Assets expenses		952,527	1,372,691
Auditors remuneration	22	4,509,687	4,714,400
Bad debts		12,922	-
Bank charges		114,506	137,821
Catering contract		1,508,596	2,245,781
Cleaning		1,279,299	1,139,157
Cleaning materials		892,371	601,265
Computer consumables		509,554	1,016,857
Conferences		2,732,284	1,926,372
Consulting and professional fees		4,037,313	3,179,265
Depreciation, amortisation and impairments		13,997,098	14,996,346
Employee Assistance Programme expenses		677,309	865,106

DETAILED INCOME STATEMENT

for the year ended March 31, 2019

Figures in Rand	Note(s)	2019	2018
Employee costs	20	331,373,848	316,344,856
Voter Education		6,854,625	-
Fuel & Lubricants		978,731	688,134
General stationery		746,464	168,949
Gifts		3,682,180	2,917,382
Hansard outsourcing		9,697,255	8,896,833
Electoral Act		100,276	-
IT outsourcing		3,116,757	3,669,253
Insurance		2,156,161	1,757,851
Internal audit fees		1,211,507	1,531,564
Interior décor		-	513,150
Rent		14,781,284	14,356,197
Library reference books		329,073	64,017
Licence fees		5,406,781	9,352,881
Members remuneration	20	73,373,848	71,730,095
Municipal service		4,252,704	4,692,842
Photocopy consumables		770,590	896,187
Placement fees		270,231	370,925
Plant services		75,358	165,065
Postages		22,700	23,934
Print room rentals		3,107,001	2,088,904
Printing general		2,837,094	2,326,654
Professional fees		1,590,010	1,675,565
Public hearing venue		20,188,350	19,425,347
Refreshments		2,821,648	2,093,242
Repairs & maintenance		3,474,744	1,823,045
Repairs of IT equipment		668,112	700,210
Security maintenance		12,318,224	13,272,795
Opening of the Legislature		2,593,562	2,644,923
Staff bursaries		2,487,311	2,152,216
Staff training		2,977,009	2,517,834
Storage Consumables		35,000	-
Subscriptions		2,855,750	3,086,095
Telephone and fax		6,824,164	10,595,854

DETAILED INCOME STATEMENT

for the year ended March 31, 2019

Figures in Rand	Note(s)	2019	2018
Special operational project		6,861,301	1,367,821
Political party funding and Constituency allowances		121,572,428	114,907,032
Transport services		16,591,835	12,975,902
Travel & subsistence		10,591,158	6,566,567
Travel & subsistence Overseas		5,808,017	6,484,367
Uniforms		250,430	438,425
Workshop and functions		9,027,617	7,191,845
		771,972,999	727,806,257

The supplementary information presented does not form part of the annual financial statements and is unaudited





GAUTENG
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ANNUAL REPORT 2018/19

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